

The week in London and New York

A rally by sterling

Poll nerves

INLOOKER

A spot of colour returned to the market's cheeks yesterday, as new 1976 lows on Wednesday equities proceeded to put in a two day rise of 11.4 points with the 30-Share index 2 points higher at 276.7 by close yesterday. That was close to the best of the day but it was looking much firmer than the pound, though still down on the week, had managed a rally.

Fears for yet another rise in the pound, while against a background of increasing tension at Westminster the pound as suffered a further mauling in foreign exchange markets (at the time this week it had shed over seven cents against the dollar). At the same time the queues on the money market as been having a fairly dramatic effect on short-term interest rates. But MLR fears

latest shutdowns, notably at Flint and Skelmersdale, are not wholly unexpected. Demand for the type of viscose filament produced at Flint has been progressively declining for years and Courtaulds has already closed two out of four plants in this field. As for Skelmersdale this venture, which was set up in 1968 at a cost of over £10m, has never made a profit and falling demand for cotton-polyester cloth has finally led to its closure.

At any rate all the future has pushed our textiles index into the bottom half of this week's short-term performance chart. Groups like Tootal and Carrington Virella have actually slipped faster than the 7 per cent. setback to 75p seen at Courtaulds.

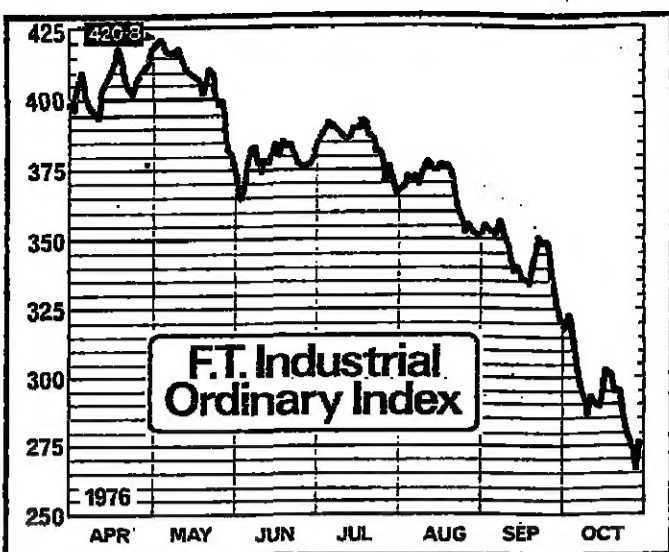
Dock profits

When European Ferries unveils its 1976 results sometime next May they will contain nine months of Felixstowe Dock results worth £11m, pre-tax, compared to a purchase price of £8.4m. But the acquisition, which was effectively confirmed just eight days ago in a crucial vote in the House of Lords, also brings in some sizeable debt at a time when Euroferries' own borrowings, most of which are in foreign currencies unmatched by assets, are being propelled upwards in sterling terms by the plight of the pound. The company is starting to chip away at its debt (repayments of £8m. have been made so far this year) and last year's accounting treatment, which took debt "top-up" provisions against the profit and loss account, will not be maintained in 1976. In future the group will capitalise these against the cost of its ships, a method adopted by P & O; the extra depreciation involved could be around £0.6m. this year.

After a dull winter, trading activity at Felixstowe is buoyant with freight tonnage in the three months to September up by almost a tenth. Euroferries' traditional business has run into some slackness on passenger/cargo traffic after the peak summer months, but freight volume has stuck at 8 per cent. growth through September. Cum Felixstowe, the group could push profits this year up to around £8m. pre-tax for earnings per share of 4p after a full tax charge—against a share price practically unchanged on the week at 45p.

Property slide

There is one major reason for the property sector's two month



the deal with Trizec in Canada, its overseas borrowings will still top £100m.

Motor tests

The rising cost of petrol and consumer credit are the latest in a long line of severe tests for the motor distributors but they seem to be coming at a time of buoyant profits—at least to judge by this week's results from British Car Auction and BSG International. The former's auction sales were 31 per cent higher on an annual basis in the 14 months to July and that was enough to push profits up by two-fifths pre-tax: over at BSG first half 1976 profits are a full 45 per cent higher.

In current conditions the outlook for new car sales in 1977 must be uncertain. But BSG for one has its large manufacturing interests (80 per cent of profits) acting as a useful cushion as well as overseas earnings. The overseas tax charge for the six months was down but that reflected past tax losses rather than lower profits, and this year's exchange gains ought to be substantial; overseas activities account for 30 per cent of profits at present. The group could conceivably emerge with profits of £3.6m. this year which would cover more than twice a dividend, forecast to rise from 0.65p to 1.46p net.

On the forecast, the shares yield 19 per cent, against 12 per cent at BCA and a sector average some three points lower. So the market is still keeping a watchful eye on BSG's borrowing levels. By December debt could have been reduced by £6m. or so to around £28m. thanks to asset disposals, while shareholders' funds, including £12m. of goodwill, could be in the region of £23m.

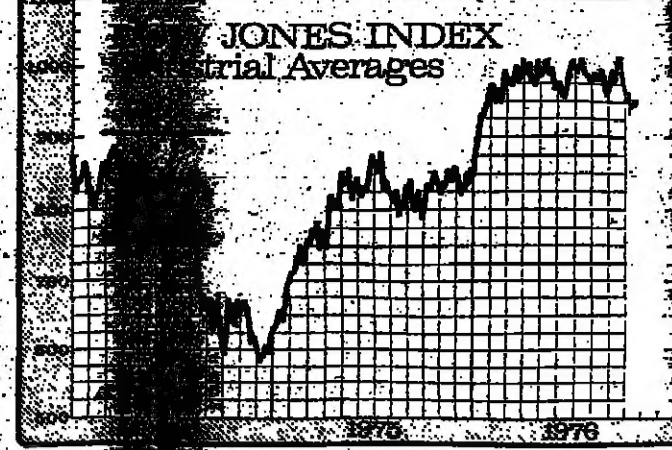
Apart from all else, the condition of sterling has heightened the uncertainties over English Property's foreign debts. After

BY JAY PALMER NEW YORK, Oct. 29.

THE KEY factor affecting Wall Street this week has been and more than enough to spur continues to be next Tuesday's Presidential election. The close economic "pause" in growth, the struggle between Ford and Carter is proving the market's fundamental concern. This economic slowdown taken ahead in the polls, then Wall Street could quickly come to terms with the expected result.

As things are, the uncertainty is proving a formidable barrier and it now looks more certain than ever that share prices are unlikely to move strongly in either direction until after the votes are counted. It is then only then that Wall Street will be able to sit back and take a clear line at the policies of the President-elect, the current economic picture and the relative value of prices.

In the midst of this monetary hiatus, Wall Street has had to bear fresh bad news on the economic front. To-day, the Ford administration confirmed that the September index of leading economic indicators (those which are alleged to "lead" or forecast trends) fell. It was the second consecutive



It has been nearly a month since the Street first began its plunge from just over 1,000 level of the Dow Jones Industrial Average last week, but the spread and the most recent weakness have moved ahead of the blue-chip industry. But what seems to be a growing concern is the fact that the blue-chip industry has been at least in a cyclical decline since the beginning of 1977.

Day	Close	Change
Monday	938.00	+0.30
Tuesday	948.14	+10.14
Wednesday	954.12	+5.98
Thursday	952.43	-1.69

Mining The good news column

BY KENNETH MARSTON, MINING EDITOR

A CHEERFUL contrast to so much of the news elsewhere has been provided by the world of mining this week. The gold producers, for a start, have been encouraged by the further recovery in the bullion price which has moved up to \$124 an ounce, its highest since June.

This improvement has followed a successful outcome to the latest of the International Monetary Fund's six-weekly auctions at which the accepted bid price was fixed at \$16.80, some \$7 above the previous auction's price. As I suggested before, the market is now learning to live with these auctions—their next is to be held on December 8—after its earlier bout of nervousness.

A major reason for this is the continuing good industrial demand for gold, the jewellers having returned to the market after having been frightened away when the price was climbing towards \$200 in the earlier part of last year. And Lord Erroll, the new chairman of Consolidated Gold Fields, reckons that if demand continues to increase "additional supplies of newly mined gold will soon be required."

Although mining finance house, fell by 39 per cent to £22.5m in the year to last June, Gold Fields seems to be maintaining an air of optimism. The dividend has been raised by the maximum permitted amount: a compensation payment of no less than £250,000 has been made to Sir Brian Massey-Greene who is retiring from the group for personal reasons; and at the annual meeting to be held at London's Dorchester Hotel on November 22, shareholders will be invited to take a drink with the directors and senior management officials.

Unless the gold price advances strongly, the group's income from this source—revenue provided 32 per cent of revenue last year—will be reduced. But looking at Gold Fields as a whole, Lord Erroll still expects "some improvement" in profits this year. Incidentally, Gold Fields recently sold half its 15 per cent interest in South Africa's Rustenburg Platinum. The latter has maintained a fixed selling

price of \$180 per ounce for its metal in recent times while the rival Impala Platinum, in the Union Corporation group, has been charging only \$170. Prices on the free market, which is supplied by the Russians, have been even lower.

Yesterday, however, Impala announced that it was reducing its platinum price to \$162. The initial reported comment from Rustenburg was that the company had no intention of following suit. Before the day was out, however, Rustenburg changed its mind and will also be charging \$162 as from November 1.

Western Mining's deposit is at Yeelirrie in Western Australia, but this company also has to await Government approval to start mining and to export the resultant production. Meanwhile, we still have to find out how the mining industry's values have been announced from the new and they to start mining and to export the resultant production.

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The table shows the percentage changes in the 30-share index and its constituent share prices of the past week and since the 1976 index peak on May 4. Other indices are shown for comparison.

	% Change on 1976	% Change on 1976
FT Ind. Ord. Index	276.7	-4.5
Alfred Breweries	46.1	-4.1
A.P. Cement	114	-8.1
BOC International	47.1	-25.8
Beecham	282	-1.4
Boots	82	-5.7
Bovater	134	-4.3
Brown (John)	92	-2.4
Cavenham	80	-1.2
Courtaulds	76	-7.3
Distillers	98	-4.8
Dunlop	61	-6.1
EMI	179	-3.2
General Electric	119	-2.4
Glaxo	315	-23.7
Grand Metropolitan	44.1	+1.1
Guest Keen	213	-2.3

U.K. INDICES

	Oct. 29	Oct. 22	Oct. 12
Average	56.30	57.12	56.81
Govt. Secs.	56.30	57.12	56.81
Fixed Interest	55.49	56.52	56.50
Industrial Ord.	273.1	297.3	290.7
Gold Mines	114.2	107.4	107.4
Debt mkt.	4.68	4.49	5.02

FT ACTUARIES

	Oct. 29	Oct. 22	Oct. 12
Capital Gds.	102.83	118.82	108.54
Consumer (Durable)	85.24	92.29	88.09
Cons. (Non-Durable)	104.35	114.75	111.67
Ind. Group	109.26	117.73	114.64
500-Share	127.85	136.07	131.72
Financial	89.10	94.65	94.20
All-Share	118.17	125.97	122.40
20-year Govt.	42.98	43.13	42.90
20-year Debs.	43.48	43.69	43.98

TV/Radio

BBC 1

8.30 a.m. Rattle, 9.05 a.m. Indecent Exposure, 9.30 a.m. Multi-Coloured Swap Swap, 10.27 a.m. Weather, 10.50 a.m. News, 11.00 a.m. News, 11.30 a.m. News, 12.00 a.m. News, 12.30 a.m. News, 1.00 a.m. News, 1.30 a.m. News, 2.00 a.m. News, 2.30 a.m. News, 3.00 a.m. News, 3.30 a.m. News, 4.00 a.m. News, 4.30 a.m. News, 5.00 a.m. News, 5.30 a.m. News, 6.00 a.m. News, 6.30 a.m. News, 7.00 a.m. News, 7.30 a.m. News, 8.00 a.m. News, 8.30 a.m. News, 9.00 a.m. News, 9.30 a.m. News, 10.00 a.m. News, 10.30 a.m. News, 11.00 a.m. News, 11.30 a.m. News, 12.00 a.m. News, 12.30 a.m. News, 1.00 a.m. News, 1.30 a.m. News, 2.00 a.m. News, 2.30 a.m. News, 3.00 a.m. News, 3.30 a.m. News, 4.00 a.m. News, 4.30 a.m. News, 5.00 a.m. News, 5.30 a.m. News, 6.00 a.m. News, 6.30 a.m. News, 7.00 a.m. News, 7.30 a.m. News, 8.00 a.m. News, 8.30 a.m. News, 9.00 a.m. News, 9.30 a.m. News, 10.00 a.m. News, 10.30 a.m. News, 11.00 a.m. News, 11.30 a.m. News, 12.00 a.m. News, 12.30 a.m. News, 1.00 a.m. News, 1.30 a.m. News, 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Your savings and investments

Still on a bullish tack

CHRISTOPHER HILL

THOUT A doubt this has been a depressing week for investors and commentators alike in that the renewal of the "flying crisis" has submerged the market in a sea of pessimism and uncertainty. The market is again reappearing, particularly, it is now hard to see the light at the end of the tunnel. The U.K. investor could be in a fixed interest position, but the full force of the market's fall has not yet been felt. The average investor does not seem to have quite shed the point of view that the market is still in a state of "getting better". The U.K. market is still in a state of "getting better". The U.K. market is still in a state of "getting better".

It is always very difficult to tell whether this would in fact be the course of action if the U.K. market does continue on its current downward, par-gold coins view of the fact that the market is now in a state of "getting better". The U.K. market is still in a state of "getting better". The U.K. market is still in a state of "getting better".

WHENEVER the stock market is suffering an acute depression the thoughts of many investors turn to the highest yielding shares. However, in many cases these attractions do not stand up to close scrutiny. After all, yields are usually highest in those areas where the dividends are in the greatest danger.

The building industry is a prime example of this. Within the FT's Share Information Service, the building industry columns contain no less than 23 companies which are yielding in excess of 18 per cent, and of these 12 have returns of more than 20 per cent. UBM group is one of the highest yielding in this sector with a return of almost 25 per cent, but this is not fully covered by historic earnings and after a pre-tax fall from £1.7m. to £1.1m. in the recent interim figures, the market is clearly doubtful whether this return will be sustained in the current year.

In order for a high yielder to have any real attraction it is necessary that the dividend is at least maintainable and also that there is a realistic chance of some improvement in the near future. When looking for reliable income stocks it is perhaps wisest to drop one's gaze down the yield lists to the 12 to 15 per cent. range. Having done this it should become obvious that the shares which fit the aforementioned requirements cover a very wide range.

Any investor looking for this type of investment needs to build up a broad portfolio, but it is worth remembering that even some relatively small sectors can provide a fair share of opportunities. Motor distributors are a case in point. Even a glance should reveal at least three companies which possess the qualifications of income stocks, Kenning Motor, Dutton Forshaw and Lex Services.

As far as the first two are concerned the yields look well protected. The respective historic returns are 14 per cent and 12.8 per cent; the Kenning Motor is covered more than

Looking at the high yielders

BY TOM KYTE

Company	Price	Yield	Cover
Dutton Forshaw	21½	12.8	3.6
Imperial Group	50½	14.0	1.6
Kenning	36½	14.0	2.3
Lex Service	25	18.0	1.8
London Brick	29	13.9	3.2
Plessey	54	13.0	2.1
Spillers	23	17.5	1.8

twice while Dutton Forshaw's have as many, if not more, problems than their smaller counterparts. Even so the constituents' profits up from £1.36m. to £3.3m. and the group has at least four names which must have received Treasury permission for an exceptional increase in the 1976 dividend to 4.5p. This Group, London Brick, Plessey gives a yield of around 18 per cent, which is covered 1.6 times by the previous year's earnings, but following a 25 per cent. rise in interim pre-tax profits to £3.3m. and a forecast of £120m. the blue chips. Because of their for the full year (against size many of these companies £106m.) the return does not

appear to be under any pressure. For London Brick the market may hold rather more doubt about the security of its 13.9 per cent. yield. It has after all been suggested that the group is now nearing the end of its profits cycle. Even so, the cover of three times looks healthy and the group reckons that it will be able to hold volume at the half-time level throughout the year; the first half pre-tax level rose from £5.09m. to £5.89m. Plessey's yield is, slightly lower at 13 per cent. but with a cover of two times it appears to be in no immediate danger, especially since evidence has recently come through to suggest profits recovery is now under way. Spillers is probably the least certain of the four, allowing that its interim profits were £3m. lower at £5.67m. pre-tax. But even here the dividend cover is around 1.8 times and the chances of a second half profits improvement looks good. Thus, it seems unlikely any reduction will be made this year. Having taken all these areas into consideration though, it is worth remembering that often, during a bear market, income seekers will hold on to their shares that bit too long. Even for these investors there is a point where it is wise to cut their losses and sell.

Charges

THE RECENT debate about unit trust charges which has been carried on in our columns has aired most of the points, but there are perhaps some additional factors which need to be taken into consideration. One is that unit trust managers were not so concerned about the level of charges when the business was in its major expansionary phase in the late '60s and early '70s. But now that sales are harder to get, the effect of percentage charges is not so advantageous and fixed costs of management are rising all the time. It is also true that some investor expects by way of newsletters, etc., and this has also tended to raise costs. But, while there is a natural tendency to resist higher charges, one cannot help feeling that there are too many anomalies in the investment field where charges are concerned. Life companies which sell single premium bonds such as managed and property funds have much greater freedom to load in management charges and expenses, while unit trusts are in a virtual straitjacket. Now that most unit trust groups also appear in other fund management guises it is not surprising that emphasis on "unit-linked" is increasing.

Exceptions to the rule

ERIC SHORT

THE LIFE Offices Association, for that usually reticent, extremely vocal in intruding its new scale of initial commissions for life policies, using the method of assessment from a sum assured to a minimum-related basis. There is a lot of trumpet-blowing for the service being given to consumers, in that no longer old commission of 300 per cent of the premium be paid whole life non-profit policies young lives.



Mr. K. H. Allen, chairman LOA

We applauded this move and discussed the implications these columns. Therefore I disturbed to discover that LOA has the power to limit life companies from this and has done so in the case of eight of its members. A month's edition of Money magazine disclosed the position and named the life companies receiving the favoured treatment. What perturbed me was that when I phoned LOA for confirmation, I was told that this had always been the situation, even under old agreement. Yet nothing said in the Press conference about this concession.

and the application is considered by all the members at the monthly meetings. All members have to give approval. The maximum extra commission allowed is an increase of one-quarter to the published scale. Thus on a whole life policy the normal limit is 90 per cent of the premiums payable, 60 per cent in the first year and the balance in the next. The concession would allow 75 per cent to be paid in the first year and 37½ per cent in the following year—a combined level of 112½ per cent, approaching the 125 per cent, offered by Equity and Law, the largest life company outside the LOA.

But the public is not informed of this concession by the LOA. I was told that it does not publicise its decisions taken at members' meetings. The public has to find out for itself—how I do not know, since I only discovered this feature by chance. The favoured companies—Bedford Life, Economic Federation Mutual, Hodge Life, Langham Life, Provincial Life, Schroder Life and Western Australian should inform all clients that they pay higher commissions than the published standard.

Moreover, the LOA, in the interest of all consumers, must publish full details of how this concession operates and who are the beneficiaries.

More on the rescue Saga

LONDON Indemnity and Mutual Insurance saga is now after two years since the company ran into financial trouble, the rescue scheme of agreement came into operation last Monday. Policyholders have to decide whether to stay with the company or cash their contracts.

making their decision, investors need have no worry of the financial stability of the company. There is a new made up of representatives from six members of the consortium of insurance companies. The investment agreement and the admission of LIGI is now in the hands of the Prudential—a lead-member of the consortium. There is no danger of contracts being honoured. Policyholders should have received a letter explaining their position under the scheme. It should give details of the current surrender value of their contract should they wish to cash-in. I am informed that this value will be held for about two months, so policyholders have a little time to consider their position. If they do decide to stay, then they should pay up all premium arrears, in accordance with the instructions in the letter so as to be fully covered for the death benefit.

Meanwhile, policyholders with Nation Life, the company that was not rescued, cannot hope for another payment until well into next year at the earliest. Mr. Gerry Weiss, the liquidator, is still hopeful that, despite the rise in interest rates, he will be able to make a third payment during the first quarter of 1977. His problem is that most of the remaining assets waiting to be sold are properties, including the Bournemouth complex which brought Nation Life's problems to a head, many of which are not prime properties. The rise in interest rates has made it even more difficult to dispose of these assets at a reasonable price. And Mr. Weiss feels that it is not administratively economical to make a payment of less than 10p in the pound. One solution which was put to me, perhaps humorously, was that instead of paying out in dribs and drabs policyholders' claims should be put in a hat each time and those lucky enough to be drawn should be paid in full. I doubt whether this is legally possible, but it would at least satisfy some policyholders.

A bit of cheerful news is that the liquidator has received the first payment under the rescue scheme of the International Credit Bank of Geneva. This amounts to 17 per cent of the claim in terms of Swiss Francs, but the movement in the exchange rate since the deposit was made in 1974 means that the liquidator has received 22 per cent in sterling terms.

A letter from a reader this week queried the value quoted last Saturday on this page for the index-linked Retirement Savings Bond. He apparently did not realise that the National Savings Committee has relieved bondholders of the chore of doing the calculation to find out the value of their bond. Each month a large sheet is sent to all Post Offices which shows the repayment value of the bonds that month according to the month of purchase. This sheet is certainly displayed in a prominent position in my local Post Office.

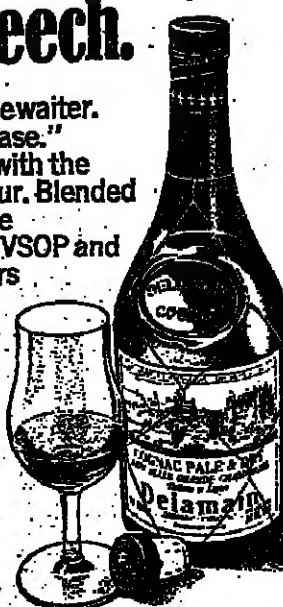
How to make the perfect after dinner speech.

Address yourself to the winemaker. "Say 'Delamain Cognac, please.' The pale and dry cognac with the lique, smoothly rounded flavour. Blended in the vineyards of the Grande Champagne district. Older than VSOP and in a house with over 150 years experience."

Only a short speech but it'll go down well.

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The story of the happiest night of my life.

4 am. I'm in a sweet sleep. Suddenly a hand tries to dislocate my shoulder. 'It's started!' This is it. The moment I have been planning for months: 20 seconds to get dressed, 4 minutes to get to the car, 10 minutes to get to the hospital. But I can't find a shoe. I flood the carburettor. The taxi takes an hour. And then I sit in a dark empty corridor till morning when a nurse says 'You've got a little boy.'

After the cigars and the celebrations... the responsibilities. And here you need a little help. The sort of help we believe life assurance is designed to give. Look at a Scottish Widows Flying Start Endowment Policy for example. If you took one of those out on the day your boy was born you could relax about his future. And enjoy your cigar.



At Scottish Widows that's what we believe life assurance is all about: helping you live your life to the full. Ask your broker about our approach. About our policies. About our record.



SCOTTISH WIDOWS
A better life assurance.

Finance and the family

Non-residents dividends

BY OUR LEGAL STAFF

I am a U.K. citizen who resides from South Africa, you will have to ask the bank not to deduct U.K. tax from the proceeds of the dividends. The bank will need some evidence that the Inland Revenue have agreed that you are not resident in the U.K. and they may well require an indemnity against any claims for U.K. tax on your dividends.

As long as you are regarded by the British tax authorities as not resident in the U.K., you will be exempt from U.K. tax on dividends paid by companies resident in South Africa (or elsewhere outside the U.K.). The country of incorporation is not always the same as the country of residence, according to U.K. tax rules, but most public companies incorporated in South Africa are also resident there, and there only (for it is possible for a company to be resident in two countries at the same time).

To obtain repayment of any U.K. tax deducted from South African dividends, and to secure exemption from U.K. tax on future dividends paid through the companies' U.K. agents, you need to obtain a form A1 from the Inspector of Foreign Dividends, Lynwood Road, Thames Ditton, Surrey, Great Britain TW17 0DR. You should tell the Inspector of Foreign Dividends the name of the U.K. tax office with which you were last in touch (if any) and the reference number from any correspondence. He will also want to know the dates of any periods spent in the U.K. in recent years, and your future plans for visiting (or returning to) the U.K. during the next few years.

If your shares are on the companies' Johannesburg registers, so that your U.K. bank will be receiving dividend warrants

from South Africa, you will have to ask the bank not to deduct U.K. tax from the proceeds of the dividends. The bank will need some evidence that the Inland Revenue have agreed that you are not resident in the U.K. and they may well require an indemnity against any claims for U.K. tax on your dividends.

Incidentally, the exemption from U.K. tax is not affected by the question of whether the South African dividends are taxable in Zambia or any other country.

Additions to party

My deeds show that the fences between my garden and that of my neighbour are party fences and that I have to share in their maintenance. When I came the fence was of an open type, but my neighbour has recently put on additional horizontal and vertical boards, which has made the fence solid and raised its height by 2 feet. This has a harmful effect on my garden. Is there anything I can do about it?

So long as the additions are on your neighbour's side there is no wrong committed by your neighbour in erecting them. The party structures (outside London) belong to the adjoining owners equally and are—except where the deeds express them to be otherwise—deemed to be owned as to one half by each of you, the division being effected vertically along the length of the party structure. Hence the addition is fixed is technically in on your neighbour's side does not even constitute a technical

trespass where the part of the original fence to which the addition is fixed is technically in your neighbour's ownership.

A gift and lease-back

My wife and I wish to give our freehold house to a charity, subject to a leasehold interest for 35 years, at £25 a year. However, I understand from the stamp duty office that such a joint ground rent would not be possible. Is this so and if not, what stamp duties would be payable?

There are technical objections to a lease to yourselves or to the grant of a rentcharge to yourselves. However you can achieve what you want either by a "gift and lease-back" or by a declaration of trust. Either can be achieved with only a very small charge to stamp duty.

Declaration of trust

A friend and I are jointly buying a boat for which we are paying equally. Is there any way whereby one of us could have it on the death of the other, without our making provision for this in our respective wills? Could capital transfer tax be avoided by each of us making annual transfers, within the exemption limits, to the other?

We think that you may find a convenient solution in a declaration of trust, the beneficiaries being given a joint interest in equity. As the cost is being

shared there should be no need to make annual gifts to equalise the interests; however, it is likely that the surviving owner will be unable to claim that there is not a chargeable transfer, whether a trust or mutual wills are employed.

Harvest rights

In return for keeping the lawn cut, hedges trimmed and the garden tidy for an elderly widow, I have the use of the kitchen garden. Would I have any protection for harvesting my crops should the lady decide to sell her house? We think it unlikely that you could set up any effective claim to the standing crops if your neighbour sells. If however you took up the crops before the sale was completed the property in the severed crops would vest in you, so that the purchaser could not claim them back.

Churchyard right of way

When I moved into my house ten years ago there was a gate in the fence into the churchyard which I used to get to the church and also to take a short cut to the town centre. The church has now been closed as redundant and the land is to be sold for development. Have I and my neighbours established a right of way over the land? So far as the gate was used for access to the church itself any right of way established will be for that purpose only—the old right of churchway—and that will have lapsed when the

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

church was closed. If, however, the gate has been used to afford access to the town centre as well, then a general right of way, or at least a right of way for that purpose, may have been established if there has been 20 years (or more) uninterrupted use as such. You must therefore ascertain what the position was in the ten years or more before you took up residence in your house.

Garnishee proceedings

I have obtained a Court order for the repayment of a debt from a woman who keeps moving her address and the trustees of a fund from which she receives income have refused to advise me of her address or to say what income she gets. Is there any way of compelling the trustees to pay me the money? If the debtor has a right to her income from the trust fund (as opposed to being an object of a discretion) and the trustees are not "protective" trusts you may be able to take proceedings called garnishee proceedings which would enable the court to order the trustees to pay direct to you. It is essential for this that the trust moneys are due to be paid to the beneficiary who is the judgment debtor.

Covenant for a student

In the reply under the heading Covenant for a Student in last Saturday's issue, we regret we overlooked the fact that the sum up to which a sum could be covenanted by a parent without losing any of his child allowance in the case of students of 18 or more had been raised by the 1976 Finance Act to £350.

Insurance

Another bill for Mr. Driver

BY JOHN PHILIP

any part of the general hospital charges cost. The particular motorist who is therefore relieved only those tax payers who are not motorists. Back in July the Chancellor of the Exchequer announced that plans were in train to place the whole burden of the £40m. bill on the motorist. A fortnight ago, Mr. David Eccles, the Social Services Secretary, said that legislation would be introduced early in the new parliamentary session to give effect to the Government's intention. The stated aim is to collect some 50 per cent of the annual cost in the financial year 1977/78, around £30m., and the collection seems likely to begin some time next summer.

Motor insurers have declared their opposition to the plan and apparently have decided that they will not incorporate any hospital levy in their premium rating structures, but, of course, such opposition is insufficient to deter a Government intent on the plan and having, for the next few days at least, a parliamentary majority sufficient to carry it through.

According to articles which have been printed in the specialist insurance press, when the DHSS bill is unveiled it will impose a duty on the motorist, whether private or commercial, to pay a flat-rate levy on each vehicle that he insures; this payment will have to be made to insurers on top of the basic insurance premium and insurers will have the task of handing it over to the DHSS. Already many people in all

walks-of-life have been unpaid tax collectors for Government of purchase of SET, VAT, PAYE, the list long enough to afford Government a precedent of taxing insurers with the task of extracting the cost of hospital treatment of road accident victims entirely from the motorist public and without recompense for the expense involved.

If the cost of hospital treatment was £40m. in 1977, having regard to the pace of inflation this year and the likely pace of inflation next year, it seems probable to expect the DHSS will be looking for half a million in 1977/78, and not half a million.

In the summer, when the plan was first mooted, the figure of £40m. was suggested; the DHSS has now revised the figure up to £50m. by 15m. vehicles with the nearest rounded up to the nearest pound. On this basis, if a figure in the region of £50m. can be proved by the DHSS in 1977/78, their case would seem likely that the DHSS may require as much as £4 per vehicle, but whether the Department will in fact work in round figures or try to get a more accurate per vehicle charge will probably only become clear in the New Year.

With a flat charge per vehicle it will make no difference whether the motorist has a high performance car or a family saloon, whether he has a comprehensive or a third party only policy, whether he has full NCD or no-earned NCD, whether his situation is that he will pay the rate per vehicle, the same as will the haulage contractor or the motorcyclist—which is not consistent with insurance practice.

But we are not talking any longer about insurance; we are talking about a tax on motor car and motor vehicle users—let us not put the blame on insurers either for the method of extraction or the amount which all have to pay.

Weekend Brief

Vote gathering

Less than an hour after the polls closed in the East and hours before they closed in the West, all three American television networks had already declared Richard Nixon the winner of the Presidential election four years ago. So overwhelming was his victory that the commentators and their banks of computers were left with very little more to say. Eventually they all went to bed the air much earlier than expected.

This year, however, it is unlikely that anything will be so cut and dried so soon. CBS, NBC and ABC have invested a total of more than \$10m. on the assumption that the race is going to be just as close as all the polls indicate and a small army of reporters, poll watchers, analysts and computer programmers will be at work on Tuesday night trying to predict who will win and explain why. Since 1972 all three networks have become much more interested in the reasons why people vote as they do and this will be reflected in the programmes on election night. This year for instance NBC will be



Mrs. Barbara Walters, anchor person in U.S. TV election coverage.

polling 20,000 people on election day. ABC has a contract with Louis Harris, the pollster, and CBS will survey voters as they emerge from key polling booths and question an additional 15,000 people around the nation. While the results of these surveys are fed into network computers some 120,000 poll watchers, stationed at most of the country's 17,000 polling stations, will be telephoning results to the New York headquarters of the new election service, a co-operative effort of the news agencies and the networks which, in turn, feeds results by high-speed teletypes to the television studios.

An hour after the polls close the networks will try in earnest to predict the winner, but they may well hold off remembering their most recent mistake when two out of three of them predicted that Morris Udall would win the Wisconsin primary. He lost, accordingly the three men in charge of predictions will also be talking to their own pet political experts across the nation and the predictions, when they come, will be a mixture of science and instinct.

Election terms have been working for many months on the logistics of the election coverage apart from the Presidential race a check must also be kept on the

myriad senate and house races. Outside broadcast cameras in hundreds of locations must all be ready at a moment's notice even if many of them will never be used, and room must always be made for the commercials which can be relied on to appear whatever else happens.

All the networks acknowledge that they lose money on election night but they will not say how much. It is worth it they insist because what is at stake is their prestige and, quite probably, their share of the audience for the nightly national news in coming months. CBS has traditionally been the front runner and will rely again this year on Mr. Walter Cronkite its much respected anchor man. ABC has its new \$1m. star Ms. Barbara Walters, who will be much featured—and NBC's two-man team will be supplemented by a guest star from the States who will change shade depending on who wins.

It promises to be a colourful evening.

The butler did it

This week in Stratford-on-Avon, the local library, Douglas Hall, the local librarian, has in fact arranged a very realistic-looking corpse (actually a dummy from a 'helpful' neighbouring shop), slumped over a typewriter, a knife plunged into its back. A coffins with drugs, a dirty ashtray, a crumpled packet of cigarettes are clues. The effective exhibit—too effective for the stomachs of some of the library's 'older' patrons—is complemented by a display of current thrillers, with photographs and brief biographies of our leading authors in the game. The library's show opened last week-end on the occasion of the annual conference of the Crime Writers' Association, held this year in Stratford. The meeting was an immense success, with over a hundred members (and wives or husbands) in attendance and with some distinguished local and foreign guests, including the popular American novelist Brian Garfield (Death Wish) and Donald Westlake (Bank Shot).

As might be expected, crime writers are a gregarious and vivacious lot. But the conference combined business with pleasure, and the organisers arranged some instructive talks. As it turned out, the chief speakers represented three generations of detection. Ex-Superintendent Fabian of the Yard reminisced about his famous cases, including the unsolved murder of Charlie Walton, near Stratford, in 1945, a case that had overtones of witchcraft and Shakespearean magic. These seemed crimes of another, milder era, with friendly crooks who addressed Fabian familiarly as 'Guv' and had a kind of symbiotic relationship with the police. Fabian's view of current crime was clearly expressed in his repeated use of the adjective "shocking".

Shocking, indeed, as we could see from some of the colour slides brought along by Detective Inspector Bradley, Scenes of Crime Officer, Warwick CID. One slide (of a hand, charred and decaying) brought outcries of dismay, horror from the assembled crime writers, and the slide was quickly switched off. Obviously, the writers prefer their grue in black and white.

Perhaps it is criminals who should have had an eye on the conference. Dr. Barry Blain, of

the Home Office's Police Scientific Development Branch, illustrated some of the ingenious devices that science is developing to help detect and prevent crime. The gadgets ranged from a simple bleeping mechanism for trapping pickpockets to an elaborate holographic camera which, by measuring stiffness of muscles, can establish exact time of death. Most fascinating of Dr. Blain's exhibits was a movie, shot in the dark, with a special kind of film sensitive to heat, particularly body heat. The bodies of some (feigned) crooks showed up pink against a black background. A van, blue at first from the heat of its engine, faded, as it parked, to another colour. So the police will be able to observe (and record) malefactor even in the dark. Again, during this demonstration, notebooks were in evidence. Thriller-readers can thus look forward to a new wave of detection, with computers and cameras, taking over from the late Hercule.

See Athens and

Some 2,500 people will be at the annual conference of the Association of British Travel Agents which opens in Athens on Monday, but most of them will be settled into the Greek capital and spending their willing pounds on ozo and tzatziki. By this evening, ABTA conventions tend to have an air of let's drink to-night because there may be no to-morrow. In the British travel business this year they may be right.

It could be the last convention of the Association in its present form. Among the visitors are representatives from the Office of Fair Trading who are likely to confirm that many of ABTA's membership rules will not stand up to the restrictive practices legislation. ABTA is built on the basis of a giant cartel. Retail members can only sell tour operator members' products and tour operators cannot sell other than through ABTA. Retailers or direct. Retail price maintenance is strictly enforced. Obviously this makes life difficult for anyone who is not a member of the closed shop. The benefit to the public is that ABTA polices member standards and picks up the pieces when anyone goes bust. Hundreds of thousands have been saved under the scheme. End the restrictive practices and you probably end that aspect of protection at least, although there is now the Government Air Travel Reserve Fund to make sure that actual money is not lost.

ABTA has already given up trying to enforce commission levels and is on the point of abandoning its stance on RPN. There is considerable support from all sides, however, for a fight against the ending of Operation Stabiliser, the scheme that restricts trading to the membership. If first the OFT and then the Courts decide that Stabiliser must go, then almost certainly ABTA, in its present form, would go too. Instead there would probably be two voluntary bodies, one for the operators and one for the agents.

Watching with some concern will be the representatives of Kenya. The Kenyan capital Nairobi is pitching for next year's ABTA. Even pounds, when being spent by 2,500 people, are attractive. If the OFT kills ABTA, it could also kill a nice fat November 1977 for the Nairobi tourist trade.

Brotherly dispute

MR JAMES CALLAGHAN'S discomfort as Prime Minister in being frequently at loggerheads with his own Party's 23-strong National Executive Committee was highlighted more vividly than usual this week. This latest confrontation came when the NEC, by 13-6, backed a protest against the State spending cuts which are central to the Labour Government's strategy for defending the beleaguered pound and restoring Britain's economic viability.

At the Party's annual conference last month, the new Prime Minister abandoned the kid-gloved approach of his predecessor in Party matters and openly queried whether the NEC was sufficiently representative of the Party as a whole. The sequel has been some sharpening in the Left Wing reaction to the Prime Minister, but also a focussing of public attention on the nature of the NEC, promptly dubbed the "Crazy Gang" by the Daily Mirror after this week's clash.



Tony Benn and Frank Aulman

The NEC—the Labour Party's final authority between the yearly conferences—is largely elected at the conference, through a mix of union and constituency votes, although the Party Leader, Mr. Callaghan, Mr. Foot, belongs ex officio. So does the Young Socialist's representative, Mr. Nick Bradley, who is the most extreme Left-wing member of the present NEC and who moved the controversial resolution which defeated and embarrassed Mr. Callaghan last Wednesday.

The influential Party Treasurer—now Mr. Norman Atkinson, a leading Tribuneite MP—is elected by the conference, and is also always an NEC member. For the rest, 12 members are elected by the unions, seven by the constituency Labour Parties, and the other five—all women—by the whole conference and one, now Mr. John Cartwright, a moderate, by affiliated groups, such as the Co-operative movement.

The trade union section of the NEC contains none of the really big names because these tend to be more active within the TUC itself. Former NEC members, like Mr. Joe Gormley of the Miners and Mr. Sid Weighell of the Railwaymen, have given up their

NEC seats once they felt they could command a place on the TUC general council.

For this reason there are no household names on the NEC, which comprises two union general secretaries, three trade union MPs and seven national union officials. Of these dozen, only four could be termed Left-wingers.

Most influential among the union members, or moderately so, are Bryan Stanley, Mr. John Chalmers (this year's NEC chairman) and Mr. Tom Bradley, MP, all of whom are moderates. The voice of the trade union Left is represented mainly by Mr. John Forrester and Mr. Alex Kilson.

The constituency and women's section members of the NEC tend usually, as now, to be more Left-wing-oriented, with such names as the veteran Mr. Ian Mikardo—probably Mr. Callaghan's toughest Left Wing opponent—Mrs. Barbara Castle, Miss Joan Maynard and Mrs. Renee Short prominent.

At present, on a full attendance, the NEC tends to split something like 15-15 between Left and Right, or moderately so, militant, though the Leftward majority can be stronger.

Before General Elections, the NEC and the Cabinet or Shadow Cabinet select the items of Party policy to go into the Election Manifesto, though decisions on action still rest with a Labour Government in office.

In addition, it makes recommendations to the annual conference: this year it backed the nationalisation of the big banks and insurance companies, contrary to Government wishes. The NEC also has to endorse all prospective Labour Parliamentary candidates—though it rarely refuses to do this for those complying with its rules. It bears appeals against expulsions and, more significantly lately, it receives appeals from MPs like Right-wing Cabinet Minister Mr. Reg Prentice, whose constituency does not want to readopt them.

The careers and political leanings of the best known members such as Mr. Callaghan (moderate), Mr. Foot (Left), Mr. Ian Mikardo (Left), Mr. Anthony Wedgwood Benn (Left) and Mrs. Shirley Williams (right wing/moderate) need no



Lena Jeger and John Cartwright

reiteration here but the political stance of the remaining and, in many cases, little known members is as follows. Mr. John Chalmers is this year's party chairman. A leading "moderate", he prefers to describe himself as "a

restrained Left-winger." He has been general secretary of the Bolemakers Amalgamation for the last ten years and on the Labour Party executive for the same length of time. Born in Clydebank 60 years ago, he was apprenticed as a boilermaker in John Brown's shipyard. His present posts include membership of the organising committee for British Shipbuilders, of the Central Arbitration Committee and two NEDC industry groups.

Mr. Tom Bradley, 50, MP for Leicester E, has been president of the Transport Salaried Staffs Association since 1964 after 12 years as a branch officer and six as an executive member.

Moderate Mr. Bradley was elected to the Labour Party NEC in 1968 and as outgoing party chairman presided over this year's party conference.

Mr. John Forrester, the most vociferous of the Left Wing union contingent on the NEC, is deputy general secretary of the technical and supervisory section (TASS) of the Amalgamated Union of Engineering Workers. Born in Clydebank 55 years ago, he left school at fourteen to serve an engineering apprenticeship. In 1951 he became a full-time TASS official and was appointed deputy general secretary of TASS in 1974. He joined the NEC in 1971.

Mr. Alex Kilson, executive office of the Transport and General Workers Union, is also a leading Left Wing NEC member but sometimes has to vote against his Left Wing inclinations to avoid clashing with his union's policies. Mr. Kilson, 35 years old, began his working life as a lorry driver's mate. He rose from a shop steward to general secretary of the Scottish Commercial Motormen's Union in 1965 and became executive officer of the TGWU—third in the union's hierarchy—when it merged with the TGWU in 1971. He is expected to be the main Left Wing contestant in the forthcoming election for a successor to TGWU general secretary Mr. Jack Jones who retires in 1978.

For Norman Atkinson, 53, MP for Haringey, who won the Party Treasurer's job against industry Secretary Mr. Eric Varley, is a member of the Tribune Group of Left wing MPs and has an engineering background.

Mr. Eric Heffer, 54, and MP for Liverpool, Walton, is another Left wing Tribune member who is one of several former Ministers on the NEC. He was sacked by Sir Harold Wilson for speaking in the House against the

Government's Common Market policy.

Mrs. Judith Hart, MP for Llanark, formerly Minister for Overseas Development, was dropped from that job by Sir Harold Wilson in a reshuffle in 1975. She takes a generally Left wing view.

Miss Joan Lester, another Left wing MP (for Eton and Slough), and a one-time nursery school teacher, resigned as Parliamentary Under-Secretary for Education in 1975 over a disagreement with State spending cuts.

Mr. Bill John, among union members, is a Right-winger in terms of the internal politics of the Amalgamated Union of Engineering Workers, of whose engineering section, national executive council he has been a member for over nine years. Now 56, he started work as a tool-makers apprentice in Llantrisant, South Wales, and served as a shop steward and works convenor.

He represents South Wales and South-West England for the AUEW and negotiates for engineering workers employed by the Government, including Ministry of Defence.

Mr. Bryan Stanley, the 50-year-old general secretary of the Post Office Engineering Union, has been a staunch trade union and Labour supporter since he began working for the Post Office in Walsall at the age of 14.

Mr. Stanley, who has contested four parliamentary elections, is now becoming firmly established as one of the leading union voices on the Labour Party NEC and has appeared on several party political broadcasts.

Mr. Russell Tuck, 54, is a former engine driver and now the senior of three assistant general secretaries of the National Union of Railwaymen. He was born in Pontypridd and served on the NUR national executive before becoming a full-time official; he negotiates for railwaymen at regional level as well as being the union's finance officer. He sits on the TUC transport industry committee. Votes with the moderates on the Labour Party executive, which he joined last year.

Mr. Harold Hicking, chairman of the General and Municipal Workers Union, is also a member of the union's executive and East Coast region.

Born in 1917, he was an engineering industry shop steward for 10 years before becoming QMW vice-president in 1972. Elected to the Labour Party NEC in 1972, where he tends to adopt a moderate stance, Mr. Hicking is a JP.

Some of the NEC hard-hitters, from left to right: Ian Mikardo, Barbara Castle, Michael Foot, Prime Minister Jim Callaghan, Brian Stanley, Shirley Williams and Tom Bradley.

Mr. Emylyn Williams, born in Aberdare in 1921, Mr. Emylyn Williams joined the South Wales area of the National Union of Mineworkers in 1937 and rose to area president in 1972.

He votes with the Left on both the national NUM executive, which he joined in 1973 and on the Labour Party NEC, to which he was elected last year.

Mr. Sam McCuskie, national secretary of the National Union of Seamen, was born in Leth in 1932. A former shipboard caterer, he joined the union's executive in 1962 and the Labour Party NEC, where he leads, to work with the Left, two years later.

Of other MP members of the NEC, Mr. Fred Mulley, 65, and the Defence Secretary, is one of the senior Ministers and is a firm moderate. A barrister and economist, he was until recently Education Secretary and MP for Sheffield Park. Union sponsored.

Mr. Walter Padley, also union sponsored, 60, and another moderate, was formerly Minister of State at the Foreign Office. He is a one-time president of the Union of Shop, Distributive and Allied Workers.

Mrs. Barbara Castle, a long-time Tribune Group member and MP for Blackburn, held several key Ministerial posts, latterly as Social Services Secretary. Callaghan left office when Mr. Callaghan formed his Government. She is a strong and vocal supporter of Left-wing causes and a sharp critic of terms of the present Government's policies on occasions.

Mr. Frank Aulman, 53, MP for East, Salford, and Tribune member, takes a generally Left-wing view and has special interest in housing and defence.

Miss Joan Maynard, an MP for Sheffield, Brightline, who entered Parliament in 1974, has been on the NEC since 1973. She is regarded as one of the most vocal Left-wing members.

Mrs. Lena Jeger, on the NEC since 1968 and MP for Cumber, Nottingham and St. Pancras, is a considerable Left-wing sympathiser.

Contributors: David Bell, William Weaver, Arthur

كنايس النحل

HOME NEWS

Probe launched into fall in pit productivity

ROY HODSON

GOVERNMENT has set up a committee to probe the fall in productivity at the pits. It believes that the fall in productivity is due to a number of factors, including a shortage of coal, a fall in the number of men working in the pits, and a fall in the number of pits.

The committee has been set up by the National Coal Board (NCB) and the Ministry of Fuel and Power. It will be led by Sir John Gorton, a former NCB director. The committee's task is to investigate the causes of the fall in productivity and to recommend ways of improving it.

The NCB has said that the fall in productivity is a serious problem. It has said that the fall in productivity is due to a number of factors, including a shortage of coal, a fall in the number of men working in the pits, and a fall in the number of pits.

The committee will be asked to report on its findings by the end of the year. It will also be asked to recommend ways of improving productivity.

The NCB has said that it is committed to improving productivity. It has said that it will do this by investing in new equipment and by training its men.

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year, while the number of men working in the pits has fallen only slightly. The Government and the Coal Board fear that the trend will continue, and that this will lead to a fall in the productivity of about 10 per cent. by the end of the year.

Both management and union leaders are embarrassed that this should happen when the Government is underwriting a fundamental modernisation and expansion of the industry with the £300 million plan for coal and the £100 million plan for gas.

The miners and the NCB have to cooperate to boost production in the next six months to bring the industry back on target.

Mr. Joe Gormley, president of the National Union of Mine-workers, said at Selby yesterday that it was impossible to identify any single factor as the cause of the decline. "There were many factors," he said.

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"We should be producing enough coal to share in the 30m. tonnes a year import market of continental Europe, but we are not doing it."

Productivity is not expected to be one of the problems at the new Selby colliery, which was inaugurated yesterday by the Duchess of Kent, who started a drilling rig to sink the first site borehole in the presence of Mr. Anthony Wedgwood Benn, Energy Secretary, Sir Derek Ezra, NCB chairman, and Mr. Gormley.

The £400m. investment will make Selby the biggest deep coal-mining enterprise in the world and at least four times more productive than the best current British mines.

Only 4,000 men will be needed to produce 10m. tonnes of coal a year. The first coal will be brought up for use in power stations in Yorkshire during 1982, and by 1987 the field will be up to its planned production level of 10m. tonnes of coal a year.

The Selby resources are sufficient to maintain output at that level for at least 40 years.

Mr. John Stuart, ICI Fibres deputy chairman, said yesterday that, even with the increase, the company would still be well within the rises already sanctioned by the Prices Commission. Polyester filament was selling at £1.23 as long ago as 1974 and has only this year climbed back to £1.25 after falling to £1 at the bottom of the recession.

The latest price increase follows rises for various fibres this year where market conditions permitted, including most recently higher industrial yarn prices, but ICI claims that this is the first across-the-board increase it has instituted. Until 1973 fibre prices were declining as a result of the development of bigger plants and cheap feedstock prices.

The improvement in the ICI Fibres has trimmed staff by about 15 per cent. since the beginning of last year, but Dr. Brian Smith, the chairman, recently warned that improvements in productivity were proceeding more slowly.

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ICI puts 10p on fibres prices

By Rhys David, Textiles Correspondent

ICI FIBRES, Britain's biggest fibre producer, is to put up the prices of all its man-made and polyester yarns and fibres by 10p a kilo from Monday in an attempt to recover part of the cost increases incurred this year.

The group, which is expecting a further loss this year, has been hit by higher costs for its main oil-based raw materials, largely because of the decline in the value of sterling. To the end of September, the company estimates, costs were up 24 per cent. on a year ago, and in the final quarter the effects of the further fall in sterling will be felt.

The increases will lift the price of the main textured polyester filament yarn from £1.25 a kilo to £1.35, with polyester staple moving up to 90p. Prices for middle denier range nylon filament textile yarn are around £1.50. The 10p increases on the different fibre types are in the range from 7 per cent. to 12 per cent.

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Syria trains rockets on Right-wing strongholds

BEIRUT, Oct. 29.

SYRIA has trained at least two rocket batteries on Right-wing strongholds in the marriage of military convenience between Syria and the Right in Lebanon's civil war.

Travellers arriving here today reported that two Katynsha rocket batteries have been dug into a hillside at Baalsham, a village about 12 miles east of Beirut, which the Syrians captured earlier this month.

The travellers, familiar with Soviet-made weapons, said the batteries were unmistakably trained at nearby Beit Meri and Broummana, two villages held by the Right from where heavy artillery has been pounding parts of Beirut.

Reuter. Ihsan Hiji writes: Syria has indicated to Lebanese Christian leaders in an uncertain terms that its troops, who will form the backbone of the Arab peace-keeping force, intend to apply fully the Arab summit resolutions for a Lebanese peace.

Three top Syrian leaders explained this position to a high-ranking delegation representing the Lebanese Right-wing which visited Damascus yesterday at the Syrian Government's request.

Present at the talks on the Syrian side were Mr. Abdel Halim Khaddam, the Vice Premier and Foreign Minister, Vice Air-Marshal Majid Jamil, the Commander of the Air Force and Col. Mohammed al Khayyat, a close aide to President al Assad. The Lebanese team included leaders from all the Right-wing factions.

The Lebanese were told that the Arab troops will this time be a deterrent force equipped with weapons far superior to those in the hands of the combatants in the Lebanese civil war. They will enter any territory or area as ordered by Lebanese President Elias Sarkis, who has been placed in direct control of the Right-wing command.

However, a spokesman for the Syrian Government's Arab summit resolutions. Observers noted the Syrian strong words came after Right-wing leaders had kept on saying they will not allow Arab forces into Christian-held territory. It is reliably reported that the Right has agreed now to allow Syrian and Saudi forces to enter Christian lines along the Beirut-Damascus highway, which is expected to be re-opened soon.

Syrian troops currently stationed outside the Northern port of Tripoli are expected to go through Christian lines when they move Southward to reopen the Beirut-Tripoli road within the next few days.

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Travellers arriving here today reported that two Katynsha rocket batteries have been dug into a hillside at Baalsham, a village about 12 miles east of Beirut, which the Syrians captured earlier this month.

The travellers, familiar with Soviet-made weapons, said the batteries were unmistakably trained at nearby Beit Meri and Broummana, two villages held by the Right from where heavy artillery has been pounding parts of Beirut.

Reuter. Ihsan Hiji writes: Syria has indicated to Lebanese Christian leaders in an uncertain terms that its troops, who will form the backbone of the Arab peace-keeping force, intend to apply fully the Arab summit resolutions for a Lebanese peace.

Three top Syrian leaders explained this position to a high-ranking delegation representing the Lebanese Right-wing which visited Damascus yesterday at the Syrian Government's request.

Present at the talks on the Syrian side were Mr. Abdel Halim Khaddam, the Vice Premier and Foreign Minister, Vice Air-Marshal Majid Jamil, the Commander of the Air Force and Col. Mohammed al Khayyat, a close aide to President al Assad. The Lebanese team included leaders from all the Right-wing factions.

The Lebanese were told that the Arab troops will this time be a deterrent force equipped with weapons far superior to those in the hands of the combatants in the Lebanese civil war. They will enter any territory or area as ordered by Lebanese President Elias Sarkis, who has been placed in direct control of the Right-wing command.

However, a spokesman for the Syrian Government's Arab summit resolutions. Observers noted the Syrian strong words came after Right-wing leaders had kept on saying they will not allow Arab forces into Christian-held territory. It is reliably reported that the Right has agreed now to allow Syrian and Saudi forces to enter Christian lines along the Beirut-Damascus highway, which is expected to be re-opened soon.

Syrian troops currently stationed outside the Northern port of Tripoli are expected to go through Christian lines when they move Southward to reopen the Beirut-Tripoli road within the next few days.

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U.S. computer sale to China

NEW YORK, Oct. 29.

PRESIDENT FORD has overruled the objections of the Energy Research and Development Administration and officially approved the sale of a large U.S. computer, which could be used for military as well as industrial purposes, to China.

The move, which White House officials described as a gesture of friendship to the new Chinese leaders, comes almost exactly two months after the U.S. government finally approved the sale of a large IBM computer to the Soviet Union.

The Chinese are buying two Control Data Corporation "Cyber 172" computers as well as associated equipment. Although Administration officials said that the Soviets would not be able to buy the same equipment, CDC noted that the two "Cyber 172s" are the equivalent of the one "Cyber 73" already purchased by Russia.

It is understood that the Pentagon withdrew its original objections to this Chinese sale following State Department guarantees that Control Data personnel would be given full access to Chinese computer centres and full information on computer use.

Although this sale has cleared the various U.S. regulations regarding sales of possibly strategic materials to Communist countries, it must still be cleared by Comcom, the informal grouping of NATO and other countries which maintains that the sale of such prohibited Communist imports to U.S. officials said they expected Comcom approval.

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Fromarty ethinks strategy

Ray Perman, Scottish Correspondent

R PERMAN SCOTTISH CRSE, MARTY Petroleum began today to re-assess its strategy regarding to build a new refinery (figs. Easter Ross, after the re- to obtain Parliamentary approval to buy land essential to the project by compulsory purchase.

THE FINANCIAL TIMES

Incorporating THE FINANCIAL NEWS
(Established 1881)

Head Office Editorial & Advertisement Offices:
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SATURDAY, OCTOBER 30, 1976

It's a mad, mad world

IS DIFFICULT to remember a week in which the financial markets behaved quite so badly as they have in the week ending today. It began with a report in a Sunday newspaper that the International Monetary Fund would want to see the pound devalued to \$1.50 as one condition of the loan we are seeking. Though the report was promptly denied, the underlying weakness of sterling was demonstrated on Monday with all which at one point was as high as 7½ cents and took the pound about half way down to the figure suggested. The same Minister happened to be appearing on television that evening and in the course of a prolonged grilling said that IMF should not force us to massive deflation, that countries with large reserves could help us deal with the problem of sterling balances, and that the share of public funding in the gross domestic product should be reduced over the next three years.

In fact, the Treasury had already "reduced" this proportion quite sizeably by redefining public spending: figures of its sort in themselves mean very little. On Tuesday, though, the price of sterling fell and the other markets were steadier, the Price Commission came out with a dispiriting report about the prospect of reducing inflation and other newspaper—an American one this time—came up with the suggestion that the Minimum Lending Rate might be cut to 18 per cent.

On the same day, the latest employment figures showed a marked fall in the underlying rate for the first time in many months, but the Employment Secretary did little to lighten the prevailing gloom by suggesting that, if we could maintain a "pace", Britain is on its way. By the middle of the week, in any case, the political gains inside the Labour Party began to become evident, with the National Executive Committee deciding to support a campaign by the public sector unions against ending cuts and the Treasury vowing to deny rumours that the Chancellor had resigned. On Thursday, the so-called manifesto Group of moderate

Action now

Yesterday, therefore, the sterling exchange rate rose sharply and there were strong rallies in both gilt-edged and equity markets—helped by the fact that M.L.R. in the event remained fixed at 15 per cent. Prices are not back to where they were at the end of last week, but we have had a dramatic illustration of the fact that a floating exchange rate, like a feather in the wind, can be blown up as well as down.

Yet this crazy situation cannot be allowed to continue. Dealing with the sterling balances is a problem that probably cannot be seriously tackled until after the Fund loan and the introduction of a new U.S. Administration. The Fund loan itself will take several weeks to complete, and the risk of several weeks like that which has just finished is too much to contemplate. The Government should take action, without waiting for it to seem that it has been forced to do so by the Fund.

First, it should announce that the monetary target for next year will be lower than the target for this. Second, it should announce further cuts in public expenditure for the next financial year—not of the £5bn. it finds easy to knock down as an Aunt Sally but of as close as it can get to £2bn. Third, it should raise some indirect taxes, but only for the sake of relieving direct taxation at the top and bottom of the income scales. It would then have a chance of considering external and internal medium-term economic strategy in a less frenzied atmosphere.



A long night ahead for Carter and Ford

By JUREK MARTIN, U.S. Editor, in Washington

THE PRESIDENTIAL election contest between Mr. Gerald Ford, a Republican, and Mr. Jimmy Carter, a Democrat, has been essentially a private affair. Non-Americans have looked at it with a certain contempt, trying not to think of the bankruptcy of much of their own politics and wondering, from the standpoint of a doubtful superiority, how it is that the most powerful country on earth could be deciding between two men who, four years ago, would have appeared on nobody's list of the 100 men most likely to inhabit the White House.

Even inside America it is fashionable to say that this has been an uninspiring contest. But Americans, too, have short memories, for there was precious little that was elevating about the race in 1972, or in 1968, or in 1964 or even in FDR's successive landfalls. This election has come at a time when the U.S. needs a little breathing space from the traumas of the last decade. Equally, it is one which is a testimony to the national capacity for change: both candidates are evidence of this. Mr. Ford, thrust into the highest office by extraordinary constitutional circumstances demanding change, and Mr. Carter, a man from outside the establishment and from a part of the country which has changed radically in the last generation, but which had been excluded from the highest councils of the land.

Conservative mood

One year ago, few people would have been willing to bet a dime that Mr. Ford could lose, so divided was the Democratic Party. Two months ago, hardly a soul would have wagered a nickel on his chances, so seriously confident was the Carter cause. To-day the election is a toss up. The reasons are countless because it has been a campaign with countless secondary, and no over-riding, issues. But one ultimately seems to stand out. If Mr. Carter loses on Tuesday it will be because he was unable to avoid making Jimmy Carter the real issue in the race. He said some time ago "I'm not running against anybody. I'm running for President." So the error will consciously have been his. It will not have been a tactical triumph for Mr. Ford, for the President's campaign has, in truth, left much to be desired and has been notoriously error prone. But if the country, in its quieter, more conservative mood these days, decides it prefers, without much enthusiasm, the devil it knows to taking a gamble on the unknown, it will be because Mr. Carter never resolved the national doubts about him. That said, it must be pointed

out for the 48th time since the foundation of the country, that the presidential election is not a simple beauty contest, on this occasion between a former football player and a man with a splendid set of teeth. It will depend on the workings of the election system, in the form of the electoral college, and beneath that on the myriad of conflicting political forces that underpin that system. Any one of these could tip the balance. The weight of their evidence suggests that Mr. Carter ought still to win this contest.

Popular vote

Exactly 100 years ago, Rutherford B. Hayes became President of the U.S. even though his opponent, Samuel J. Tilden, got 280,000 more popular votes. A wide margin in those days. Twelve years later, in an election less tainted by foul play, Benjamin Harrison beat Grover Cleveland, even though he won 90,000 fewer votes. These remain the sole instances of fallacy in the presidential election system, which is decided not by the popular vote, but by the apparatus of the electoral college.

The system is simple: whoever carries an individual state, irrespective of the margin, takes all its votes in the electoral college, which are allocated according to population. They range from 45 for California to three apiece for the six smallest states. There are 538 votes in all, so whoever gets 270 wins.

Since this is a two-horse race there is no question of the electoral college being called upon to perform its residual function of determining the outcome when no candidate has an overall majority. That was thought quite possible in 1968, for example, when the third party candidacy of Mr. George Wallace was considered so strong and the margin between Mr. Richard Nixon and Mr. Hubert Humphrey so small, in the event it did not happen, though the electoral college figures—301 votes to Nixon, 191 to Humphrey and 45 to Wallace—did not accurately reflect the fact that Mr. Nixon beat Vice-President Humphrey by less than 1 per cent of the popular vote. In 1960, Mr. John F. Kennedy's margin in the electoral college bore little resemblance to his razor-thin majority of the popular vote. The same could happen in 1976. The ten largest states in the union account for 259 votes, which explains why both Mr. Ford and Mr. Carter have made them their final battleground. Both men have bases (mostly outside the big ten) on which they need to build. Mr. Carter's is the southern and border

region, 15 states in all worth 155 votes (or excluding Texas and Florida, both among the big ten, 13 with 113). Mr. Ford's is the farming Midwest and mountain territory (stopping at and not crossing the Rockies), amounting to ten states with 49 votes. The edge here clearly is Mr. Carter's especially when solidly Democratic states outside his heartland (like Massachusetts, Senator Walter Mondale's home state of Minnesota, and Washington, the capital) are added to it.

But if Mr. Ford can make inroads into his opponent's southern fortress (which, after all, no regular Democrat has taken since 1960), then the picture could prove different. The Ford camp does claim, though without much supporting evidence, that Virginia, Louisiana, both the Carolinas, and perhaps Mississippi will go Republican. In that case, Mr. Carter would need at least to split the big ten with Mr. Ford, rather than rely on his base, his certainties, and say, the states of New York, Ohio and Pennsylvania.

In 1968, for example, Mr. Humphrey divided the big ten equally with Mr. Nixon, but could not counter Mr. Nixon's strength in the farm belt and the mountains and compensate the loss of the South to Mr. Wallace (which, without Mr. Wallace, would probably have gone Republican anyway). In 1960, the Nixon strength was the same, but he found he could not survive the loss of seven of

the big ten states plus the South to Mr. Kennedy.

Mr. Ford's base is, of course, smaller and by no means invulnerable. But if he were to retain his base, pick up some southern, border, and New England states, and, crucially, win seven of the big ten, he could be home and dry.

But these are not the only equations to be considered. There is, for example, the question of turn out. Democrats are faster than Republicans, partly nullifying their numerical superiority, and it has to be accepted that Mr. Carter has not galvanised his party. In 1972, only 55 per cent of the eligible voters went to the polls. The rule of thumb this year is that for every percentage point below 55, Mr. Ford's chances increase and vice versa.

A factor working in Mr. Carter's favour this year is what appears to be a re-emergence of traditional political alliances: organised labour is back in the Democratic fold and flexing its political muscle. Many experienced observers have been enormously impressed by the efforts that are being made to identify and register potential Democratic voters. The effort may be particularly significant among minorities, for example, the blacks of Cleveland, Ohio, and the Chicano farmworkers in California, who, if they answer the behest of Mr. Cesar Chavez, the farmworker leader, could swamp Mr. Carter's truly dreadful campaign in the state. If, as some fear, the minorities do

not vote, then Mr. Carter, whose lead among them is immense, will be severely hurt.

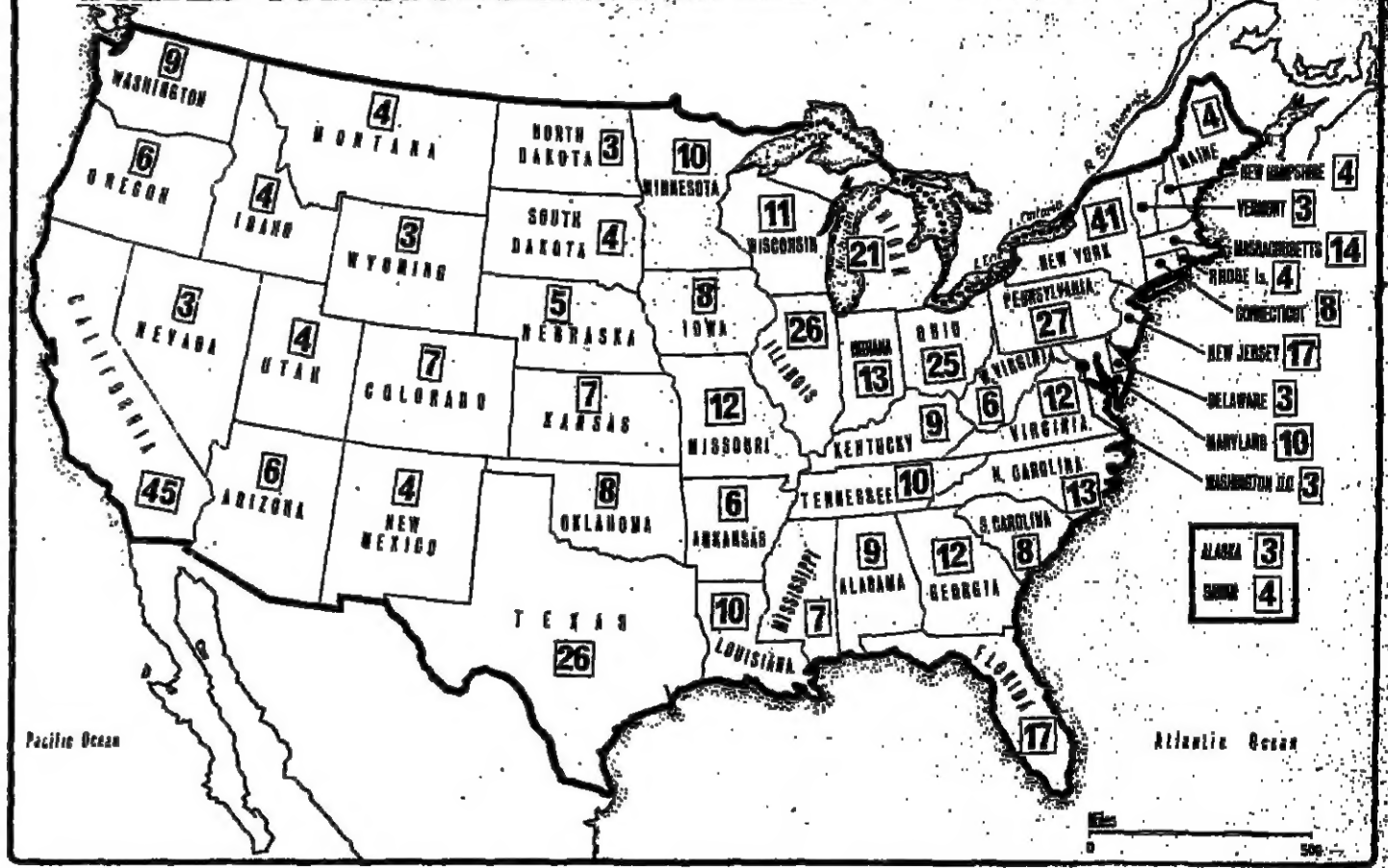
On the other hand, many people who are initially attracted to Mr. Carter because he was the quintessential political outsider, beholden to no vested interests, have been put off by the closeness of his recent relations with the labour unions. If Mr. Ford carries some southern states it will be because the Republicans will have linked Mr. Carter's name with that of Mr. George Meany, the trade union leader.

New Deal coalition

Many Republican strategists argue that the traditional alliances no longer win national elections, for the very simple reason that there are many more independent voters. The pollster, Mr. Louis Harris, has calculated that the old Roosevelt New Deal coalition of the poor, the working class, the South and the liberal intellectuals now comprises little more than 40 per cent of the voting population, as against the two-thirds when FDR made it work for him. The independents—the unpoor, unblack and unleft, and the college educated—prefer, according to some polls, Mr. Ford by an appreciable margin.

Amidst all this regional, demographic and ideological uncertainty, there is a deep fog about what will be the impact of Wednesday morning.

STATES' VOTING STRENGTH IN THE ELECTORAL COLLEGE



Letters to the Editor

Engineers and experience

From Mr. A. Bythway
Sir—Although the recent correspondence on the problem of practising better qualified people to production engineering has ranged over a wide selection of proposed causes and/or solutions, believe all these have been used on what may well be a rious fallacy. It is generally assumed that if the industry is to achieve significantly higher productivity it is essential that production directors or works managers must be more highly qualified as engineers. My own experience over the years has shown that a solution to the general problem of getting people to do a better day's work, in short generally to earn whatever they are paid, seldom if ever calls for greater engineering talent on a part of management: at whatever level. This experience was confirmed to quite small enterprises in which I think it will be generally agreed that it is easier to establish and maintain a high degree of confidence between management and the shop floor. It is yet whenever it was a question of introducing some more advanced equipment, or method of working, the two real problems lay in convincing the operatives that this would not inevitably result in a permanent loss of jobs and that whatever financial advantage resulted could be fairly shared between them and the company. The difficulties I had to exercise to live these successfully were uneasy and a high degree of sympathy, and I would respectfully suggest that the larger the enterprise the more this will always be the case. But also the larger the enterprise, the easier it is to afford to employ highly qualified specialist engineers who may well be required to devise the more advanced equipment, or assist to management, but not as managers. Indeed, since, in the short term, any improvement in equipment or method of working must by definition be aimed at reducing the labour content of the manufacturing process, the

point-of-view of gaining acceptance for the innovations which they themselves have been responsible for devising.

If it is considered that, now that virtually any manufacturing process must involve a high degree of engineering talent, either in the design of the product itself or of the equipment by which it is produced, it is essential or even preferable that the production managers should be engineers then I believe that their training as engineers must be widened to put more emphasis on the development of those non-engineering skills which I consider any manager should have: even in those engineering courses which include as a subject production engineering because the latter is likely to be mainly concerned with engineering techniques.

In my own case, more by luck than by deliberate intention, I was fortunate enough to be appointed foreman of a small assembly shop during the course of my post-graduate "student apprenticeship" and it was during this comparatively short period that I learned the essentials of any manager-worker relationship and how important it was that I should concentrate on developing these as I subsequently progressed up the management ladder.

A. S. Bythway,
71, Highsett, Hills Road,
Cambridge.

Balances

From Mr. C. Goodall
Sir—Richard Golding (October 27) seems to regard both the public and private sector financial balances as being determined by purely domestic factors. Therefore he implies that changes in the exchange rate will have no effect on financial transactions whatsoever. He evidently forgets that changes in the exchange rate must have repercussions on the balance of trade. Though it is impossible to tell their precise dimensions, a falling pound, through increasing exports and capital imports, will cut the Government deficit and raise the private surplus. The "New School" hypothesis, as I inter-

preted, the falling pound has no effect whatsoever on the domestic financial balances.

Christopher Goodall,
Magdalene College, Cambridge.

Politics

From Mr. J. Imman
Sir—It is fascinating and yet frightening to observe how people of high intelligence and wide experience often fail to see the wood for the trees; I suppose that they are too caught up in the day-to-day competitive race to be able to get down or back to fundamentals. The basis for any recovery can be summed up in one word, "confidence." This means, however, confidence not of the few but of the many, confidence not of any minority section of the community but confidence in the main body, confidence at home and abroad. Confidence is not narrow or always highly articulate, it is an atmosphere created when a clear majority feel and recognise, in their varying ways and capabilities, that they are on a credible path and that any sacrifices called for do not bear a partisan label or image.

How our successive minority, divisive, class-war-perpetuating, confrontation-prone, out-of-date and failed single party Governments can create a climate of confidence in our present crisis, I cannot say. If an election were held in the near future, it appears that the Conservatives would be likely to win, maybe handsomely. But could they get 50 per cent plus of the votes? Would vast numbers of previous Labour and Liberal voters switch wholeheartedly and gladly, or merely in reaction to the crisis and with the old feeling of opting for the lesser of two evils? Would they be confident in their hearts? One senses no, and confidence is not created by uneasy protest votes. There would still remain large numbers of traditional non-Left-wing Labour voters whose time-honoured attitude of "Tories" would be at least inhibiting to a sense of confidence. There are all kinds of well-rehearsed objections to a peace-time national government churned out by the parties, but

questions, "Would it receive popular support?" and "Do the people believe it would work?"

When all the squabbling words have been said, recovery depends on what people actually, rather than "ought to," feel and believe all do. A national government, with all its inherent snags, would have a chance of obtaining a national response that the present parties have failed to obtain. Who knows, it could be the centre and the isolation of the extremists, where one feels the longer term political future of the country should lie after recovery, not in a return to the present destructive and futile status quo.

J. C. L. Imman,
Denham Vicarage Farm,
Barnes, Burn St. Edmunds,
Suffolk.

Censorship

From Mr. B. Davis
Sir—I read with interest Mr. Dunkley's article on censorship (October 27). I share with him his revulsion for the violence and murder, the death and destruction which dominates our television viewing. Like him I am mystified as to why that type of programme is regarded as acceptable while sex and love treated seriously or jovially (and why not?) are banned. There are some unbelievably twisted minds at work behind the scenes somewhere.

B. Davis,
Pen Cottage,
Box Near Stroud,
Gloucestershire.

Floating

From Mr. F. Stark
Sir—It is very interesting to trace the movement of the £ against the dollar under Labour and Conservative Governments since the end of the last war:—
Labour:
1948-51 devalued from \$4.20 to \$2.80.
1964-70 devalued from \$2.80 to \$2.40.
1974-76 floated down \$2.40 to \$1.60.
Conservative:
1951-64 no devaluation.
1970-74 floated down \$2.40 to \$2.30.

ment the £ has lost a total of \$2.50. In 17 years of Conservative Government it lost a total of \$0.10.

Who was it invented the phrase about "wasted years?"

"Highlands", 176 Southend Road,
Wickford, Essex.

Management

From Mr. J. P. Ganley
Sir—When the director-general of the CBI talks of managers being prevented from running their companies efficiently by a cabal of trade union leaders he should, at the same time, examine the management role in complementary terms in that context.

Major industries, in general, operate on foundations designed and planned between industrial relations departments and unions and this co-operation often results in disappointing line managers and their subordinates (union members) and can militate against the paramount interests of shareholders.

Instances arise where industrial relations departments have not even consulted with the managers who will be responsible for implementing the decisions and, in turn, the union membership find they have not been consulted by their unions either. It means that a small section of management plus trade union officials can disrupt the whole.

The irony of it is that in certain situations managerial dissatisfaction remains prudently silent yet, parasitically, hopes disgruntled subordinates will achieve beneficial settlements that managers, by spin-off, will eventually enjoy.

J. P. Ganley,
7, Broomhall Road,
Higher Blackley, Manchester.

Shareholding

From Mr. A. Conner
Sir—The point made by C. R. Atkins (October 23) on the question of shareholders receiving their dividend warrants on non-banking days, is only one of numerous reasons in favour of a shareholders' association in Britain, as already exists in some other countries. This is particularly so for small investors

walks of life, can look after themselves.

Surely there can be no more docile animal in the investment world than the small shareholder. Examples are many. Three will suffice:—dividend restraint below the inflation level (contrast this with wages and salaries); investment income surcharge; and the unreasonable delay in many cases, in this computer age, in completion of annual accounts by public companies and despatch of warrants.

A case in point is a well-known Midlands engineering company. Its financial year ends March 31. Report and accounts were completed June 29, its AGM held on July 22 and dividend announced due for payment October 1. In actual fact the warrants were not posted until October 4 (second class) and received October 6. Does a company, not apparently in deep trouble, really need 27 weeks after the end of its financial year to pay its dividend? Truly, the British malaise is not confined to the shop floor.

By contrast I hold an overseas share which from the very beginning has found it practical to pay quarterly, the final just 10 weeks after the end of its year. Another company has just announced its final

Gilt-edged: a system under strain

BY BARRY RILEY

A LITTLE more than a year ago, the gilt-edged securities market was in the forefront of the economic scene. The headline of the Government borrowing was created an enormous demand for long-term institutional investors to buy gilts in order to prevent Government deficit from causing an explosion in the money supply.

1975 the authorities sold more than the combined output of the previous eight years and in 1976, on the basis of the current projections, the demand will again be large. It is fundamental to the Government's strategy that the deficit can be financed on acceptable terms, and in a orderly manner.

It is subjects the gilt-edged market, and the big investment institutions which dominate it, have been out of the market for several months—as they did in July and August—because of the effect on the money supply can be serious. The first half of the year, when the take-up was at a reasonable level, was followed by a sharp decline in the first and second quarters—growth of the gilt-edged market was held at a moderate rate. On the M3 measurement, the supply during this six-month period rose at an annual rate of 11 per cent, within the target set for the financial year.

Her factors—such as the effect of overseas financing—have influenced this result. But the effect of the summer slump in the gilt-edged market is evident from subsequent months. In the three months to September, the growth of

M3 accelerated to an annual rate of 27 per cent, precipitating the drastic monetary measures which have sent the Bank of England's Minimum Lending Rate to 15 per cent.

Mr. Denis Healey was reported to have told the Parliamentary Labour Party on October 13 that the leap in interest rates had been necessary because of the refusal of institutions to buy gilts at existing interest rates.

Abrupt change

They did, indeed, hold off while the yields available on long-dated stocks rose from about 14 per cent in July to over 15 per cent in September. Then they rushed in to the new long-dated gilt, Treasury 14½ per cent, 1994, which was announced shortly after the rise in M3 to 13 per cent, on September 10. Over £200m. was subscribed on September 24 for a nominal £600m. of stock.

This abrupt change in the gilt-edged market was peculiar enough. But the bizarre events which followed show just why the market is, to most outsiders, a closed book.

For the 14½ per cent stock which had been such a magnet for the institutions only sold at a premium in the market for one trading day. It was then overtaken by the events in the foreign exchange market which led, along with the Treasury's concern over the September money supply figures, to the further increase in M3 to 15 per cent on October 7. The following day a new issue of £800m. Treasury 15½ per cent, 1998, was announced, to yield almost 16½ per cent.

By then subscribers to the 14½ per cent loan two weeks earlier were showing a paper loss of some 54 points net of accrued interest—a total loss of

£31.5m. spread around the institutions. Together with the deterioration in general confidence, this explains why the offer of 15½ per cent stock pulled in only about £100m., although it was mathematically even more attractive than the previous loan had been.

Important questions are raised by the twists and turns of recent events in the gilt-edged market. One concerns the responsibility of the institutions

ties, buying mostly short-dated stocks at times of surplus liquidity. Their net purchases in the first half of this year were only tiny.

The predominant investors are the insurance companies and the pension funds, though the personal sector (which appears as a residual in the statistics) plays a significant role at times. The two groups of long-term savings institutions invested a net £2.53bn. in

than money, terms. They have leaned more heavily on equities and property. Even so, 37 per cent of their revenue went into gilts last year, a ratio maintained in the first quarter of 1976, but falling to 22 per cent in April-June.

Institutional cash flows have been rising quite fast, and it is possible that pension and insurance funds will have a combined £6bn. available for investment in 1976 against £5bn. last year.

The authorities are obviously calculating that they will be able to absorb—at the right interest rates—substantially more gilts than last year.

The kind of targets they may have in mind for these institutions could be £3bn. for this year and £4bn. for 1977 (when the IMF will require tighter curbs on domestic credit expansion). In theory such targets can be achieved, but only at the cost of crowding out other areas for investment—such as the equity market.

There is also a serious tactical problem over timing. Funds tend to buy gilts in intensive bursts of activity interspersed

with inactive periods. More over, they have opted in recent years to increase their liquidity levels rather than commit incoming revenue immediately to the long-term capital markets.

Expressed as a proportion of the annual inflow of cash, year-end liquidity of insurance and pension funds rose from 26 per cent in 1971 to an exceptional 98 per cent in 1974. Last year the ratio fell back to 59 per cent, still reflecting short-term assets of almost £3bn.

At the moment there is almost no yield penalty involved in staying liquid. Fund managers know the Bank of England is desperate to sell gilts. They have also had their fingers severely burned on rushing into the previous long gilt issue. So there is an obvious temptation to continue playing a waiting game, while the Bank reluctantly allows long-term rates to go higher and higher.

It is against this background that a certain amount of nervous discussion is taking place about the possibility of direction of investment. At present the long-term institutions are almost unrestricted in their investment policies, apart from some fairly minor constraints imposed by solvency requirements on insurance companies.

It is scarcely likely that the institutions will be forced to observe higher Government debt ratios than they have been showing recently. Yet there could be a danger that they will come under some pressure to invest incoming cash more quickly and regularly—and perhaps, therefore, at lower interest rates, for their tactical strength in the market against the authorities would be reduced.

Fund managers themselves hold many differing opinions. The hard line view is that the institutions are there to safe-

guard the interests of their policyholders or future pensioners and do not have the right to threaten these interests by accommodating courses of action which passing Government might allege to be in the national interest. Others take a more flexible line, recognising that the investment institutions form part of the community and cannot entirely shut themselves off from wider responsibilities.

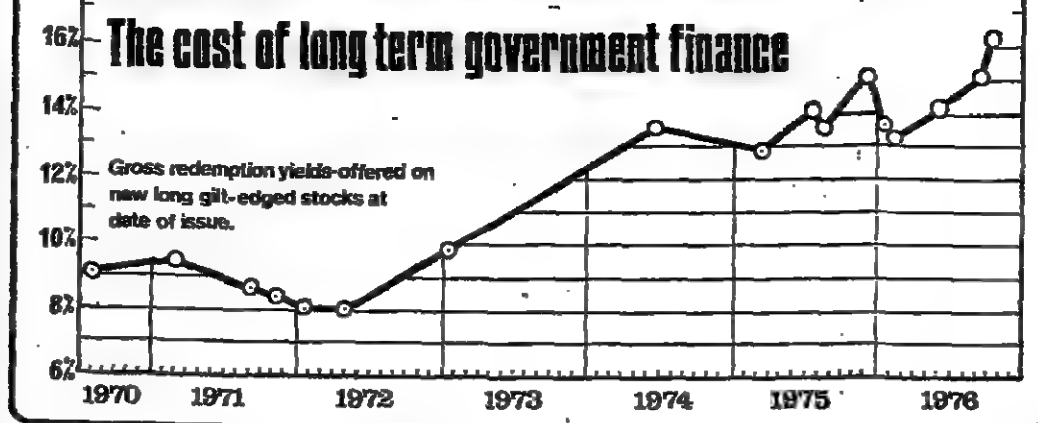
In fact, of course, no investment institution has any reason at all to undermine Government policies where these promise to be effective. All big investors have a vital interest in the stability of the currency—not least the general insurance companies which need to retain the confidence of foreigners. But they see no sense in throwing away policyholders' funds in support of measures which are unlikely to succeed.

Understandably, investors can feel they are being taken for a ride. A common theme which emerges from discussions with fund managers is the need for more open communication with the Bank of England. If the Bank's primary task is to tap the resources of the large financial institutions, then the archaic system of nods and winks from the Government Broker can hardly be the most efficient way of achieving it.

New types of gilt-edged securities, and new methods of selling them, could play a part in coping with the current ambitious funding targets. That the Bank is considering such moves was acknowledged by the Governor Mr. Gordon Richardson, at the Mansion House banquet last week.

But the Bank may need to develop a closer relationship with long-term savings institutions in the same way that it has in the past with, say, the discount houses, or even the gilt-edged jobbers. And it may have to recognise the fears of fund managers that the demands implied in the Government's borrowing requirement may simply be too great.

The Government Broker communicates his intentions to



to support the Government at a time of national crisis. But there is also an onus on the authorities to avoid placing an impossible burden on the market. In the City it is strongly felt that not only is the Government trying to borrow too much, but that it is using methods which are not suited to the new regime of specific money supply targets.

A few figures will illustrate the load which is being borne by the long-term institutions. Of last year's gilt issues, a net £1.45m. was purchased by the building societies and the banking sector. These sectors, however, are only irregular purchasers of Government securities.

gilt-edged in 1975, much higher than the £0.2bn. of 1974. Both groups have shown an increasing—though fluctuating—readiness to buy Government securities in recent years. Insurance companies are the most natural buyers of gilts, since many of their liabilities are fixed in money terms, and can be matched against fixed interest bonds. In 1975 the insurance funds invested 64 per cent of their incoming premiums in gilts, considerably more than the previous peak ratio of 40 per cent in 1971. Pension funds are not normally so interested in fixed interest investment, since their liabilities are effectively in real, rather

LABOUR NEWS

No widespread jobs loss in councils, Shore tells TUC

BY OUR LABOUR STAFF

LOCAL WORKERS' trade unions were told yesterday that public expenditure squeeze unlikely to mean large-scale job losses.

Peter Shore, Environment Secretary, told the TUC Labour Party conference in London that the Government was unlikely to mean large-scale job losses.

He said there was no guarantee that the Government would minimise the effect of expenditure cuts on staff would be successful. Much depended on how local authorities acted. "I would be wrong to tell every member in local government he is in no danger."

NUPE, NALGO and other public service unions have already banded together to oppose cuts in health, education and welfare, and have promised to back industrial action.

Mr. Geoffrey Drain, general secretary of the National and

Local Government Officers Association, said social services were coming under fire in some councils because "politically they dislike having to provide them."

He said there was no guarantee that the Government would minimise the effect of expenditure cuts on staff would be successful. Much depended on how local authorities acted. "I would be wrong to tell every member in local government he is in no danger."

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Mr. Geoffrey Drain, general secretary of the National and

Newsprint costs may rise 20%

BY LORNE EARLING

A POTENTIALLY damaging rise in the price of newsprint, perhaps as much as 20 per cent, is almost certain to be imposed on publishers soon as a result of the fall in the value of sterling.

The increase, which would add 24s a tonne to the price of 48s a tonne newsprint and about £60m. to publishing costs nationally, would certainly be passed on to the consumer through higher cover prices, due to lack of profit in the newspaper industry.

The size of the increase, which will be sought initially by Finnish and Scandinavian producers, nevertheless depends on the performance of sterling against the Swedish krona, the currency in which newsprint is sold.

The producers say that since June, when the last round of price discussions took place, the value of sterling has fallen by 18 per cent. Though some of this was recovered by an August 1 price rise, it is estimated that returns have not increased since late 1974.

It had been hoped until the recent steep decline of sterling that the price increase could be deferred until the early part of next year. Now it seems likely that it will be imposed on January 1.

Publishers will be faced with two separate elements in the price increase, that covering sterling and an actual increase

in returns to mills to meet rising production costs.

Producers claim that few, if any, Scandinavian newsprint operations are profitable.

Canadian producers, suffering similarly from sterling's fall, are also likely to demand a rise against the dollar, will almost certainly follow the Scandinavian lead. Domestic producers Reed and Bowater, which have been unable to pass on cost increases recently due to the weakness of the market, will act similarly.

The crisis which faces foreign producers has, ironically, been helpful to the U.K. newsprint industry, despite its rising costs, because any currency-induced price rise is of real benefit to them.

Reed, for example, has recently sold at a slightly lower price than foreign competitors, and may continue to do so. Overall the squeeze on overseas producers' margins in all sectors of the paper industry may produce a welcome boost for the U.K. industry.

Further consultation has been held with union officials on the future of Reed's Imperial Mill, Maidstone.

The company's initial proposal was to retain 430 employees and two paper machines. It now appears that a viable proposal has emerged which would maintain employment for a further 266 employees, and enable three paper machines and the blade coater to be kept in operation.

Small ship orders outlook improves

BY JOHN WYLES, SHIPPING CORRESPONDENT

INQUIRIES at British shipyards for small coastal vessels are running at "very high" levels, according to Mr. Jim Venus, chairman of Appledore Shipbuilders, which announced £8m. of new business yesterday.

The Appledore orders are from four British shipping companies, between them buying five similar cargo ships designed for general cargo and containers in "short sea" trades. Three have been fore-shadowed in the Financial Times.

Weak £ helps

The owners have been identified as Gallie Shipping of London; Commodore Shipping of Guernsey; J. J. Denholm; and Hadley Shipping Company.

Small cargo ships are the Devon shipyard's speciality. Though it claims always to be competitive with most foreign

yards, Mr. Venus acknowledged yesterday that the weakness of the pound was proving very helpful.

Norfolk Line, the Unilever subsidiary, is closing its Scheveningen to Middlesbrough roll-on roll-off ferry service because of continuing losses.

Prospects for shipyard workers at Beverley, North Humberside, improved yesterday with the announcement that a £500,000 order for two transport ferries had been received from Abu Dhabi, bringing the orders from the oil-producing Trucial States to £5m.

Beverley Shipyard was threatened with closure a few months ago. A Whitby company recently took it over and launched a new company, Phoenix Shipbuilders, yesterday. This has found jobs for 140 and expects to take on 20 more. There is work for the next year.

Tested drawings 'not Palmers'

SCIENTIFIC TESTS on eight drawings said to be by Samuel Palmer, the 19th century artist, during his Shoreham period, show that seven "could not possibly have been painted by him at that time". The British Antique Dealers Association committee of inquiry said this in London yesterday.

All eight have gone to Scotland Yard, said Mr. Kenneth Snowman, president of the association.

Detectives will examine the pictures as part of a larger inquiry into works by Mr. Tom Keating, who has admitted he has done more than 2,000 works in

the styles of other artists. Four of the pictures examined during the inquiry were handled by the Leger Galleries, of Old Bond Street. The directors of the galleries said they fully accepted the conclusions of the committee.

"As has been appreciated, we bought, exhibited and sold all these pictures in good faith as works by Palmer," they said.

One of the drawings was sold as a Palmer for £150,000 at Sotheby's in 1973. Sotheby's accepted the committee's conclusions yesterday and said that the buyer "has been reimbursed fully."

Economic Diary

PRIME MINISTER will be chairman of the National Economic Development Council meeting on Wednesday—expected Government announcement of major investment incentive scheme.

Other events and statistics next week include:

MONDAY—U.K. internal air fares rise. Sir Arthur Hawkins, chairman of CEBG, at Coal Industry Society lunch, Hyde Park Hotel. W. CBI employment committee meets.

TUESDAY—Treasury publishes

U.K. official reserves for October. Mr. Gerald Kaufman, Industry Minister of State, meets Mr. Marcel Cavallé, French Transport Secretary, to discuss Concorde and future of supersonic transport. United Services Club, 116 Pall Mall, S.W.1. CBI industrial trends survey. Mr. Anthony Crosland, Foreign Secretary, begins official visit to Yugoslavia. Financial Times two-day European Banking Conference opens in Stockholm. Lord Ryder, chairman of National

Enterprise Board, and Mr. John Methven, director-general CBI, address BIM conference, Birmingham. Capital issues and redemptory. W.C.2. National Housing and Town Planning Council annual conference and exhibition opens in Brighton. Mr. John Slikin, Agriculture Minister, at Bacon Curers' lunch, Savoy Hotel. W.C.2. Mr. William Rodgers, Transport Secretary, at Chartered Institute of Transport lunch, Connaught Rooms, W.C.2.

WEDNESDAY—European Commission meeting in Brussels may discuss economic difficulties of Britain and Italy. Mr. Jack Jones, general secretary TGWU, meets Sir Arthur Knight, chairman of Courtaulds, to talk on factory closures. Building Society house prices and mortgage advances (13rd qtr.).

THURSDAY—Parliamentary by-elections in Walsall North, Newcastle Central and Workington. EEC Transport Ministers meeting in Brussels. House of Commons debates transport policy.

Demarcation dispute hits Nato gun contract

FINANCIAL TIMES REPORTER

DISPUTE over job demarcation is hindering Britain's competition to an important Nato gun contract for a new gun.

The row, which has been raging for months between members of the Boiler-makers' Association and those of the Metal Mechanics at Walsall, Barrow, intended yesterday.

The 200 boiler-makers had said they would block plates cut by a new metal cutting machine would sit in at the works. They told them they would not pay.

In a statement attacking the one for failing to compromise, the gun contract has been delayed for two months and its whole time-scale is in jeopardy.

It is understood that the dispute, which centres on the use of a Plasma Arc Profile burning machine, is over who should hold the cutting head of the machine which is said to be much faster than any equipment used so far.

At risk during the delay is the contract for the FR70, the new 115mm field howitzer, which is the latest design in Nato artillery.

The company said at Barrow: "It seems inconceivable in the national circumstances that a quarrel between two unions concerning, at most, the jobs of four men should be allowed to put at risk the jobs of hundreds at Barrow on a contract which will not only provide employment locally but will make a major contribution to this country's exports over the next few years."

Lincoln Group locks out 1,500 workers

STEAM GAS TURBINES, the best company in Lincoln, was locked out yesterday when management carried out their threat to lock out workers who refused to work to rule and over-ride the imposed support of any claim.

The lockout has affected 1,500 fully-paid men, who arrived at the company's plants yesterday to find the gates closed.

Trouble flared last week when men were given an ultimatum to return to work or else a plant would close down.

Talks took place and the men returned to normal working, but last week the men re-imposed their sanctions and set up pickets to prevent deliveries.

Ford manual workers reject wage offer

By Our Labour Staff

FORD MOTOR'S pay offer to its 54,000 manual workers at 22 plants in Britain has been rejected at shop-floor meetings, as expected, and negotiations are to resume in a fortnight.

All plants are reported to have rejected the offer. Ford workers and their union negotiators believe the company has not gone to the full extent of the pay policy in its offer of fringe improvements.

The main areas of discussion are lay-off pay and holiday pay. Many workers also want payment for time spent changing into and out of safety clothing.

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COMPANY NEWS + COMMENT

Hepworth down £0.61m.—dividend held

TURNOVER OF multiple tailors J. Hepworth and Son dropped from £30.43m. to £28.55m. for the year to August 31, 1976 and pre-tax profit was down from £2.41m. to £2.3m.

Despite the prolonged sub-tropical summer, the promise made at the halfway stage—when profits were down from £2.42m. to £1.52m.—of a more favourable second half, has been fulfilled, states Mr. R. E. Chadwick, chairman.

In the current year to date turnover shows an increase of around 17 per cent. Pilot schemes are in hand to widen the range of articles sold without weakening the specialist position in relation to men's suits. The search is continuing for new premises in those towns where it is considered the company could trade profitably.

Excluding extraordinary items, earnings per 10p share are down from 3.85p to 2.77p—a final dividend of 1.43p net keeps the total at 2.08p.

The company has started revaluing properties to provide a basis for whatever practices will result from the Sandilands Committee—the last valuations was in 1969.

See Lex

Gallaher £31.7m. for 9 months

THIRD QUARTER sales of Gallaher increased from £24.93m. to £25.55m., and pre-tax profit advanced from £3.42m. to £3.47m. giving nine months totals up from £26.7m. to £27.19m. and from £25.6m. to £26.17m. respectively.

The nine months' profit is struck after reducing interest charges of £4.3m. (£5.6m.).

An analysis of sales and profit before tax and interest shows tobacco—domestic £360.2m. (£366.7m.), overseas £103.7m. (£108.3m.) and £4.3m. (£4.9m.); engineering £2.8m. (£3.5m.) and £2.5m. (£3.1m.); optical £20.8m. (£21.4m.) and £2.3m. (£2.9m.); distribution £10.4m. (£10.8m.) and £1.8m. (£2.1m.).

Net profit for the nine months was £15.7m. (£15.2m. plus £4.3m. extraordinary credits).

The company is a subsidiary of American Brands.

1928 Trust earns and pays more midway

Earnings per 35p share at Nineteen Twenty-Eight Trust rose from 1.26p to 3.85p in the half-year to September 30, 1976—for the previous year the figure was 6.44p.

The net interim dividend is stepped up from 2.25p to 2.5p. The total for 1976-77 is 6.45p.

First-half gross revenue improved from £0.82m. to £0.87m. After providing for the interim dividend gross assets (at valuation) totalled £32.9m. at March 31, 1976—before deducting 25 per cent of the investment currency premium net asset value per share was £29.75p (£27.75p).

	1975	1976
Franked revenue	£58.11	£64.06
Unfranked	431.38	376.12
Administration	45.08	41.19
Finance charges	12.48	11.74
Tax	125.49	117.74
Tax credits	187.19	182.38
Net revenue	187.19	182.38
Interim dividend	305.70	377.73

* Imputed to franked income.

Results due next week

Next week's main results are dominated by four well-known names. Reed International, Whitbread, Broke Bond, Liebig and Hoover. Also producing figures are William Maffinson and Denny Mott and Kwik Save Discount Group.

Reed International's second quarter profits are expected on Tuesday and it seems unlikely that they will be very different from those of the first three months. This suggests a half-year pre-tax level of around £34m. The Australian and North American profits for the first half have already been published, and although the former is doing quite well the performance of the latter was below most expectations. This places a heavier burden on the U.K. interests but with the publishing and packaging divisions still apparently enjoying good business the full-year profits should be within the £68m.-£77m. range compared with £37.4m. in 1975-76.

Obviously it has been a very good summer for the brewers,

HIGHLIGHTS

On a 6 per cent. fall in turnover, Hepworth's preliminary profits have fallen by 18 per cent. But there has been a better sales start in the current year. Lex also writes about the National Enterprise Board's support for Reed and Smith which is installing a new paper mill. NEB will take just under 30 per cent of the equity. Elsewhere, Graig Shipping has incurred a trading loss of £478,000 mainly due to a loss on sugar trading. High interest charges have wiped out the trading profits at Allebone which is relying on a buoyant final quarter to maintain the dividend. John Menzies produced nearly halved interim figures but could equal last year's full year profits level. Amalgamated Metal's recovery trend gained pace in the third quarter and nine months' profits were up by 17 per cent.

Allebone loss at halfway

ON A TURNOVER up slightly from £4.24m. to £4.38m., shoe manufacturers and retailers, Allebone and Sons, incurred a loss of £38,000, against a pre-tax profit of £133,000 for the half-year to July 31, 1976.

As before the interim dividend is 0.35p net per 10p share but if the hoped for improvement in trading does not materialise, it may not be possible to maintain the final at 0.80p, says the chairman.

For the year to January 31, 1976 pre-tax profit was down from £569,326 to £189,477.

See Lex

Loss cut at Graig Shipping

TRADING LOSS of Graig Shipping for the half year to Sept. 30, 1976 was £478,000 against £223,388 after interest and depreciation. Interim dividend is maintained at 5p net per £1 share. Last year's total was 15.35p when there was a loss of £870,119.

See Lex

Consolidated Plantations progress

Mr. K. N. Esles, chairman of Consolidated Plantations says that while taxation and company's capital expenditure programme will make considerable inroads into accumulated funds, it has the financial resources and skills to enable it to participate fully in the development of the Malaysian economy.

Taking all factors into account he regards the current year outlook as encouraging. In the year the group is expected to harvest 457,000 tons of FRB, an increase of about 8 per cent. over last year. Rubber production is estimated to fall to 27m. klms, a reduction of 6 per cent. over last year. These crop figures are in line with the acreage position at the end of the year when mature rubber will be down to 37.2 per cent. and mature latex yield is expected to be 48.3 per cent. of the total planted area.

The chairman also expects cocoa to make its first significant contribution to the group's earnings this year and by the end of the year the cocoa acreage will be 1.1 per cent. of the total planted area.

Reflecting the extensive pro-

Loss cut at Graig Shipping

programme of works in hand capital expenditure was 66 per cent. higher in 1975-76. The objective is to ensure that the company has the necessary capacity to process the increasing level of crops arising as more of the replanted acreage matures.

The major project this year was the 30 tonnes per hour palm oil mill on the Nova Scotia Estate completed during June for a cost of \$3m. Another significant project completed since the year began was the cocoa factory on the Sungai Buloh Estate.

See Lex

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Reflecting the extensive pro-

were arranging an early meeting with the leaders, a group of U.K. and Continental bankers, to discuss the position. Until last year the company was an authorised investment trust. It is managed by Hambro Bank and Hill Samuel, while its principal assets are managed by Berkeleys, Hambro Property Company.

See Lex

J. Menzies midterm setback

ON TURNOVER increased from £59.33m. to £65.81m., profit of Edinburgh-based wholesale and retail newsagents, booksellers and stationers, John Menzies (Holdings), fell from £503,000 to £261,000 for the 26 weeks ended July 31, 1976, subject to tax of £138,000 against £299,000.

Interim dividend is lifted from 1.5p net per 25p share to 2.09p. Total last year was 3.83p from profits of £2.72m. The directors expect to pay the maximum permitted total for the year of £2.83p.

There were extraordinary credits in the half-year of £40,000 compared with £218,000.

Mr. John Menzies, chairman, says that the expansion of the retail division has concentrated the bulk of profits into the second half. He expects this trend to continue in future years. It was exacerbated in the half year by the heat of the summer, which caused a significant decrease in High Street trading, Mr. Menzies adds.

Prospects for the second half are dominated by the important Christmas trading season, he says, which in turn relies on discretionary consumer expenditure. While the outlook for discretionary expenditure is forecast as 'disputed' in retail terms, Mr. Menzies says that the retail division is in a strong position to increase its market share.

See Lex

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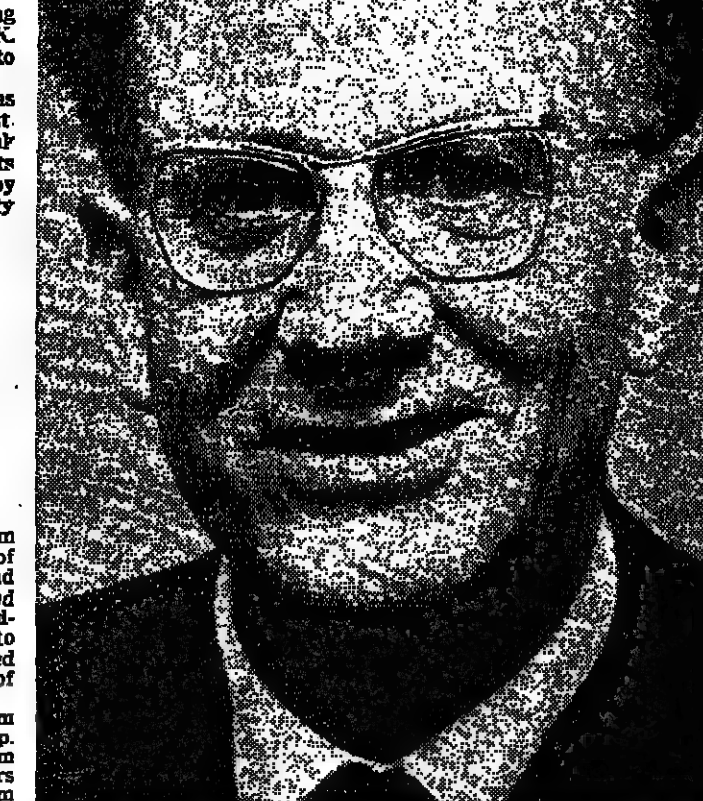
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Reflecting the extensive pro-



Mr. Robert Chadwick, chairman of J. Hepworth and Son.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total last year
Allebone	0.35	Feb. 1	0.35	1.31
Construction Hldgs.	5.72	Jan. 28	5.2	5.2
F. Copson	0.57	Feb. 1	0.57	0.57
Graig Shipping	5.0	Dec. 15	5.0	13.38
J. Hepworth	1.43	Jan. 4	1.43	2.08
L. R. Industrial	1.08	Jan. 4	1.08	2.14
John Menzies (Hldgs.)	2.09	Jan. 7	1.9	3.83
M. & A. Malpas	1.0	Jan. 8	1.0	2.73
Geo. G. Sandeman	1.0	Jan. 8	1.0	2.81
Scottish Ontario Inv. Ltd.	1.0	Dec. 13	0.6	(a) 1.65
Lake View Trust	0.65	Dec. 1	0.55	2.95

Dividends shown pence per share net except where otherwise stated. (a) Equivalent after allowing for scrip issue. (b) On capital increased by rights and/or acquisition issues. (c) Maintained final of 2.35p is forecast.

Sandeman midway fall to £0.29m.

PORT AND SHERRY exporters, importers and distributors, Geo. G. Sandeman Sons and Co., reports a contraction in sales from £345,000 to £294,000 on sales up from £3.97m. to £5.28m.

The directors are sure that sales for the year will show an overall increase over 1975 but this will not be reflected in profits, says the chairman, Mr. T. W. Sandeman.

Although it is difficult to forecast exactly what the profit-figure might be, indications are that it will be lower than the £9.82m. for 1975, he adds.

The interim dividend is maintained at 1p net per 25p share. Last year's total was 2.31p.

At halfway when reporting a £10,000 rise to £54,458 the directors were looking for a year's total as least as high as £18,750.

Tax takes £51,174 (£51,135) and minorities £5,770 (£5,814), to leave the net attributable balance at £54,685 (£53,571).

The dividend is stepped up from 0.600075p to 0.62p. Of £10,005 (£9,895) has been valued.

Stocks of wine have been valued on the same basis as previously and not in accordance with the new valuation practice to the extent that this requires the inclusion of certain overheads in the valuation.

A further drop in Sandeman's profits, amounting to a third at the pre-tax level, was enough to take the shares 5p lower yesterday to 1.50p. There were several factors behind the disappointing result, not least of which was the increasing cost of importing because of sterling's weakness.

With the inability to raise U.K. profits because of competition, Sandeman also made an exchange loss in the period, while in Portugal the group was still languishing in the red to the tune of £100,000 a year.

Interest charges were marginally lower at half-time but this is unlikely to continue throughout the year, though the rise in U.K. rates is not particularly worrying, (for only a tenth of total borrowings amounting to £8.2m. last December) is in the U.K. There may be some boost in the second half as retailers order ahead of

RESULTS AND ACCOUNTS IN BRIEF

ASSAM TRADING (HOLDINGS)—Accounts for year to March 31, 1976, debited. Anticipated they will be published in the second half of the year.

BARNAGORE JUTE FACTORY—Accounts for year to March 31, 1976, debited. Anticipated they will be published in the second half of the year.

BIRD AND CO. (AFRICA)—Directors' report for the year ended June 30, 1976, that it is impossible to have a balanced view of the company's performance.

CONSOLIDATED GOLD FIELDS—Results for year to June 30, 1976, already known. Group fixed assets £200.12m. (£199.9m.).

CRANWORTH (HOLDINGS)—Accounts for year to March 31, 1976, debited. Anticipated they will be published in the second half of the year.

HARRIS ASSOCIATED COMPANY—Accounts for year to June 30, 1976, debited. Anticipated they will be published in the second half of the year.

LINDSAY AND WILLIAMS—Accounts for year to June 30, 1976, debited. Anticipated they will be published in the second half of the year.

UNIT TRUSTS

Scottish Widows Flying Start

The Scottish Widows' Fund and Life Assurance Society is drawing investor's attention this week-end to its Flying Start Endowment Policy.

The new endowment policy, written on the life of a child maturing at age 21, can be with or without profits or on a bonus reinforced basis with a minimum sum assured of £1,000. Premiums are paid by the parent either yearly, or quarterly or monthly, and qualify for tax relief from outset. At maturity, the child receives the policy money and in addition has the option to effect life assurance without evidence of health.

comment

The advent of Capital Transfer Tax has made it necessary to plan well in advance the means of passing on a child's wealth. The Scottish Widows' Flying Start Endowment Policy enables parents to save up for a lump sum to give to a particular child at 21 or 25 free of C.T.T. The company has been among the leaders in the with-profit field for decades and since the object is to save, interested investors should take out a with-profit contract, even though others without profits and bonus reinforced are available.

comment

More investors are becoming disillusioned with the problems of managing a private equity portfolio and are turning to professional money managers through unit trusts. Share exchange is becoming an important market outlet for unit trusts. By investors need to be satisfied with the investment performance of the group and to decide what type of trust they wish to have in. The Save and Prosper Share Exchange Plan offers investors choice of over 20 trusts in a group with a proven track record.

comment

The City of Westminster Assurance Co. is again advertising its Westminster Gilt Bond which is a minimum investment requirement of £500. The aim of the fund is to produce long-term growth and the fund manager will invest in the gilt market into short-term deposits or other fixed-interest securities when short-term falls in the market are seen. A 6 per cent. rate of interest can be used for the fund and it can be switched to any other of the group's funds for a modest charge.

comment

The Westminster Gilt Bond is a new fund of gilt money funds which are offered to the investor, the being to ride the swings of the market which are complicated for the individual. Currently the fund is at a high level and the manager is waiting for the right moment to invest in gilts. The fund is waiting for the right moment to invest in gilts. The fund is waiting for the right moment to invest in gilts.

comment

The time to invest is when the market is low and in this respect the timing of the launch of the Property Growth Gilt-edged Fund is opportune, with interest rates at a very high level. The potential of gilts is high and the fund is now coming more into favour and with many experts expecting interest rates to fall in the New

comment

After a rise in half-time from £2.77m. to £2.79m., pre-tax profit of Amalgamated Metal Corp. rose from £2.77m. to £2.79m. for the year to September 30, 1976, from £2.02m. to £2.7m. Turnover advanced from £59.0m. to £59.8m. on terminal market business where margins are inherently narrow, the directors state.

Stated earnings are 19.7p per £1 share against 19.5p and current ordinary dividend of 2.87m. representing exchange differences on assets held abroad, boosted this to 78.1p compared with 33.5p.

Minorities £51,174 (£51,135) and minorities £5,770 (£5,814), to leave the net attributable balance at £54,685 (£53,571).

The dividend is stepped up from 0.600075p to 0.62p. Of £10,005 (£9,895) has been valued.

Stocks of wine have been valued on the same basis as previously and not in accordance with the new valuation practice to the extent that this requires the inclusion of certain overheads in the valuation.

A further drop in Sandeman's profits, amounting to a third at the pre-tax level, was enough to take the shares 5p lower yesterday to 1.50p. There were several factors behind the disappointing result, not least of which was the increasing cost of importing because of sterling's weakness.

With the inability to raise U.K. profits because of competition, Sandeman also made an exchange loss in the period, while in Portugal the group was still languishing in the red to the tune of £100,000 a year.

Interest charges were marginally lower at half-time but this is unlikely to continue throughout the year, though the rise in U.K. rates is not particularly worrying, (for only a tenth of total borrowings amounting to £8.2m. last December) is in the U.K. There may be some boost in the second half as retailers order ahead of

comment

Amalgamated Metal's recovery trend gained pace in the third quarter of 1976, lifting the nine-months' profit by 17 per cent. pre-tax after a marginal increase in half-time. However, most of the improvement has come from the Malaysian and Nigerian smelting interests, hence the 80 per cent. jump in minority interests.

And earnings per share are only 6 per cent. higher at 19.7p, since where the group appears to be doing no more than marking time, with the U.K. metal dealing business showing no real signs of an upturn. This suggests that full-year earnings will also show

comment

After management expense and interest charges up to £109,573 to £114,532, revenue from Sphere Investment Trust increased from £698,567 to £828,535 for the half year to September 30, 1976, subject to tax of £225,515.

As forecast the interim dividend per 25p share is 1.15p net or 1.02p after tax, the previous year's total was 2.3p and revenue £13.5m.

At September 30, 1976 net asset value per share was 116p, against 124.7p at March 31, 1976.

comment

The high degree of unrest and instability in the world today will inevitably cause greater demands for identification of Mr. Weston, and this will foster further expansion of the group's activities in the field of photo-

graphic identification for security purposes. A marketing campaign is being launched in early 1977 for the equipment developed by the group. This comprises an identification studio for use by licensing agencies and for the issue of security cards, and a range of automatic studios for the production of prints, and enlargements, and slides. The development of the group's operations in photographic identification is being

comment

Group fixed assets are up to £3.1m. (£2.24m.), and net assets £2.1m. (£1.7m.).

At September 30, 1976 net asset value per share was 116p, against 124.7p at March 31, 1976.

comment

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Company	Announcement date	Dividend (p)	Final	Year	Final	Year
Brooke Bond Liebig	Tuesday	0.55	1.2	0.88		
Bryant Investments	Monday	—	1.75	—		
Central Investment Trust	Tuesday	0.5	1.2	0.7		
Control Securities	Monday	—	1.1	—		
Danway Day Group	Wednesday	Nil	0.5	Nil		
Golden Hope Plantations	Monday	0.41	1.25	0.45		
Hoover (Furniture Trade)	Wednesday	0.4	0.5	—		
Kwik Save Discount Group	Wednesday	1.24	2.34	1.264		
Lake View Trust	Friday	0.582	2.02	—		
Louisa House	Monday	1.5	3.195	1.5		
Medinvest	Monday	0.813	0.813	Nil		
Mitchell Court Transport	Tuesday	1.55	1.57	1.152		
Salisbury Industrial Investments	Wednesday	0.7	2.1	1.0		
Sanderson Murray & Elder (Holdings)	Thursday	1.05	1.7	1.1		
Scottish National Trust	Friday	Nil	Nil	Nil		
George Smith and Son	Thursday	0.195	0.195	0.223		
Sumner Bahru Rubber Estates	Friday	0.3	0.3	—		
Usher Television	Wednesday	0.5	0.47	0.25		
United City Merchants	Thursday	0.78	1.24	—		

INTERIM DIVIDENDS				INTERIM FIGURES ONLY			
Abertoe Investments	Monday	0.73	1.25	Aquasun and Associated Companies ...	Wedn		
Airline Streamline	Thursday	1.0	3.0	Hammons Property and Investment Tr.	Frida		
Alliance Investment	Wednesday	1.25	2.0	Hoover	Thurs		
Amros Investment Trust	Wednesday	1.25	2.0	Industrie	Wedn		
Arava Corp.	Monday	0.5	0.5	Terr-Conslante	Wedn		
				Tyson (Contractors)	Mond		

SUMMARY OF THE WEEK'S COMPANY NEWS

Over bids and mergers

The struggle for control of the pneumatic and electric power manufacturer Desoutter Bros. remains deadlocked despite an offer by CompAir to break the impasse. It has given the shareholders two weeks to persuade the Board to accept an improved offer. CompAir has raised its original offer, which is 53 per cent. controlled by the directors' families, by roughly 30 per cent. of £7.7m. Shareholders were offered seven CompAir shares for every two Desoutter shares worth 185p each with CompAir at 46p, with a cash alternative of 170p which will be available up to a maximum of 170p. Although CompAir argues that a merged group will be able to face intense international competition at the lighter pneumatic tools industry, the Board of Desoutter are prepared to recommend a merger of the two companies, subject to terms offered. Morgan Grenfell, CompAir's advisers, have sent out a letter in respect of the offer to shareholders inviting them to comment on whether they consider that the Board should reconsider its refusal to support the merger.

Century Oils, the largest independent company in the industrial lubricants field, has dismissed a £4.23m. bid from British Petroleum as "totally unacceptable." Century Oils condemns the attempt to acquire a significant share in the market in industrial lubricants, where it is weak, on the grounds that it could only be seen as conflicting with the interests of its shareholders, other independent companies and its employees.

The Board of C. and W. Walker, metal fabricators, has received a £540,000 offer from Berrybest, a subsidiary of Bespoke, which has held a 29.85 per cent. in the company since 1974. Shareholders are being offered a redemption of their stock in Berrybest with a face value of 120p bearing a 16 per cent. a year redemption at five years or before the company's option or a cash alternative of 90p. The offer seems to be on the cards for control of Wheelock & Hutchinson International has now stated its interest in the recently announced approach made by Hong Land in conjunction with Jardine Matheson.

Infed and Loxley, the loss-making building and contracting firm, has received an approach from an undisclosed party which might lead to an offer being made. A separate offer has also been made for the group's building division.

Rupert Murdoch, chairman of News International, has announced last week that his company has re-purchased a 33 per cent. non-voting stake in Beaverbrook Newspapers, while Slater & Securities is selling its 29.5 per cent. stake in James Finlay & Swire and Sons in a cash deal worth £4.47m.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit	Earnings*	Dividends*
B. Bailey Constr.	June 30	217 (190)	1.8 (1.5)	0.815 (0.741)
Benfield & Loxley	Feb. 29	93L (82)	1.8 (1.5)	Nil (0.75)
Bolton Textile	Apr. 30	30 (399)	0.2 (1.9)	Nil (1.25)
BPM Holdings	July 31	1,233L (1,231L)	15.7 (15.5)	2.56 (2.56)
Brit. Car Auction	July 31	1,134L (693L)	6.5 (4.8)	2.75 (2.15)
British Electronic	July 31	244 (224)	3.1 (2.7)	0.826 (0.751)
British Industrial	June 30	1,053 (574)	4.1 (2.3)	1.95 (1.4)
Central Mfg.	July 31	3,329 (3,264)	9.3 (10.0)	2.355 (2.168)
Countryside Frags	June 30	60 (1,298L)	0.4 (0.25)	Nil (Nil)
Erie & McFarlane	July 31	214 (202)	6.3 (5.7)	2.40 (2.17)
Gomme Holdings	July 30	2,472 (670L)	17.4 (4.3)	5.415 (4.926)
Highland Distill.	Aug. 31	2,436 (2,111)	9.1 (7.8)	5.17 (4.7)
Highland Electronics	June 30	320 (248)	1.4 (1.1)	0.973 (0.8)
Heard & Wyndham	June 30	91L (515)	1.3 (1.1)	Nil (Nil)
Walker Lawrie	June 30	1,301 (544)	14.6 (5.5)	4.53 (1.5)
Lighting & Leisure	July 31	911 (724)	6.3 (5.1)	2.0 (2.3)
McKee Bros.	July 31	12,285 (8,555)	13.7 (7.7)	3.502 (3.547)
Peterson Zoehns	May 31	19,074 (8,226)	44.6 (22.2)	3.06 (2.8)
C. H. Pearce	May 31	601 (538)	22.9 (20.6)	3.034 (2.758)
Radley Fashions	Apr. 19	997 (524)	5.8 (4.4)	1.93 (1.938)
J. Smart	July 31	1,443 (826)	14.5 (9.2)	3.232 (2.936)
United Real Prop.	Apr. 30	1,818 (1,301)	7.0 (5.1)	4.623 (3.35)
Wilshaw Secs.	July 31	80 (15)	4.7 (1.3)	1.0 (Nil)
Wood Hall Trust	June 30	5,632 (5,602)	8.0 (11.4)	4.335 (3.941)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit	Earnings*	Dividends*
Abrasive Intnl.	June 30	45 (34)	0.56 (0.56)	0.4 (0.4)
Algate Indus.	July 31	1,194 (795)	12.7 (8.1)	1.128 (0.744)
Amalgamated Fwr.	June 30	1,128 (30)	1.23 (1.130)	1.1 (1.1)
Arrol-Johnston	June 30	2,650 (202)	1.0 (0.875)	1.0 (0.875)
Boosey & Hawkes	June 30	904 (172)	0.8 (0.58)	0.8 (0.784)
Border Breweries	Apr. 30	456 (379)	0.8 (0.784)	0.8 (0.784)
Booth Bros.	June 30	14,382 (1,432)	1.4 (1.4)	1.4 (1.4)
Bradford Property	Oct. 31	1,787 (1,742)	3.042 (2.769)	0.488 (0.325)
RSC International	June 30	1,814 (1,234)	1.0 (0.894)	1.0 (0.894)
Cent. & Sheerwood	June 30	1,458 (1,067)	1.0 (0.894)	1.0 (0.894)
Coates Bros.	June 30	3,732 (2,540)	0.694 (0.510)	0.694 (0.510)
Coates & Crossland	June 30	232 (184)	0.33 (0.315)	0.33 (0.315)
Dorington Inc.	Sept. 30	261 (210)	1.25 (1.0)	1.25 (1.0)
Dunlop Holdings	June 30	32,100 (10,800)	1.95 (1.25)	1.95 (1.25)
English Property	Apr. 30	2,391 (1,381)	1.25 (1.25)	1.25 (1.25)
Ernest Jones	June 30	1,251 (1,071)	1.1 (1.0)	1.1 (1.0)
Ferro Metal	June 30	101 (168)	1.5 (1.5)	1.5 (1.5)
Fidelity Radio	Sept. 30	512 (461)	1.158 (1.033)	0.65 (0.5)
Andrew R. Findlay	June 30	221 (126)	1.1 (1.0)	1.1 (1.0)
Finnish & Sons	June 30	1,251 (1,071)	1.1 (1.0)	1.1 (1.0)
Gleaves Group	July 31	206 (144)	1.0 (1.0)	1.0 (1.0)

Offers for sale, placings and introductions

Tending Hundred Waterworks: Offer for sale by tender £12m. 9 per cent. Redeemable Preference stock 1981 at £94 per £100 stock minimum price.

Cray Electronics: Seven-for-15 at 11p each.

Scrip Issues

Gomme Holdings: One-for-one.

Highland Distilleries: One-for-one.

Lighting and Leisure Industries: One-for-four.

EQUITIES

EQUITIES													
Stock		1976		1975		1974		1973		1972		1971	
High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
100	100	100	100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100	100	100	100
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WALL STREET + OVERSEAS MARKETS + LATEST PRICES

Early rise on prime rate cut

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Oct. 29

THE RECENT upward trend was reversed on Wall Street today when more than 600 issues moved to a 4 1/2 per cent prime rate from 6 1/2 per cent.

By 1 p.m. the Dow Jones Industrial Average was up 3.99 to 956.82, making a rise of 17.57 on the week, while the NYSE All Common Index, at \$54.46, gained 22 cents on the day and 61.04 on the week.

Closing prices and market reports were not available for this edition.

Mobil gained \$1 to \$60 1/2, following a raised quarterly dividend. But Texaco eased \$1 to \$57 on lower third quarter profits.

Aetna Life and Casualty moved up \$1 1/2 to \$34 1/2 after reporting improved earnings.

McDonnell Douglas gained \$1 1/2 to \$22 on higher quarterly results.

The American SE Market Value Index moved ahead 0.16 to 88.48, making a rise of 0.57 on the week.

OTHER MARKETS

the week. Advances led declines by a seven-to-four margin, but the trading volume decreased 1.53m. shares to 8.21m. compared with 1 p.m. yesterday.

At the opening the Commerce Department reported that September leading Economic Indicators fell 0.7 per cent, the second straight drop.

Procter and Gamble put on \$1 1/2 to \$93 1/2 on higher earnings.

Canada again mixed

Canadian Stock Markets remained mixed in very light trading yesterday morning.

The Industrial Share Index rose 0.35 to 178.49. Base Metals 0.14 to 80.14. Western Oils 0.18 to 20.05. And Papers 1.40 to 114.10. But Golds reacted 1.90 to 258.59. Banks lost 0.56 to 238.99 and Utilities eased 0.04 to 142.13.

PARIS—All sectors higher in active trading, with strongest rises in Construction and Food-stuffs.

Generale Occidentale firm on higher dividend and Salats-Gobelin Post a Womanson rose almost 4 per cent, after "sharply increased" first half net group profit.

BRUSSELS—Mixed after very quiet trading.

Steels eased. Non-Ferrous

Metals mixed. Electricals and Utilities firm. Oils declined. Holdings steady.

U.S. stocks declined modestly. South African Gold Mines up again. French shares rose. German and Dutch stocks lost ground.

AMSTERDAM—Slightly lower in quiet trading.

Insurances steady to firm. Industrials and Trading Stocks mixed. Banks and Transports lower.

State Loans firmed.

GERMANY—Slightly lower in thin trading with Foreign investors continuing to unload German shares in favour of Mark Denominated Bonds.

Bonds again strong with Public Revenues. Authorities selling DM100m. nominal of stock Public Authority. Nominal of stock Public Authority. Nominal of stock Public Authority.

COPENHAGEN—Generally slightly higher in moderate dealing.

VIENNA—Fairly steady.

OSLO—Industrials weak. Banks, Insurances and Shipping quiet.

SWITZERLAND—Slightly easier in continued quiet activity.

Revenues Bank 100.00. Financials narrowly mixed. Industrials moderately lower.

MILAN—Mixed in quieter trading.

Pirelli SpA rose 1.18 on its first-half report.

HONG KONG—Small losses in sluggish trading.

JOHANNESBURG—Gold shares off the top following overseas bullion indications. Financials mixed. Little unchanged. Coppers mixed. Platinums steady to firm. Industrials slightly easier.

TOKYO—Slightly higher in active trading. Volume 200m. (240m.) shares.

Electricals and Motors turned lower on concern over growing criticism of Japanese car and TV exports.

But Foods, Textiles, Pharmaceuticals, Machinery and Cameras were generally higher.

Sugar Refiners rose on Press report major Trading Houses reached an agreement on the adjustment of market shares of Sugar Refineries affiliated with them.

AUSTRALIA—Uranium firmed sharply following publication of report, but profit-taking pared gains towards close.

Pancontinental rose up \$31.50 to \$210.00. Queensland Mines rose 25 cents to \$32.25. Kathleen 15 cents to \$31.25 and Ocean Resources 6 cents to 36 cents.

Peko-Wallace gained 30 cents to \$25.20.

But Rob Roy dipped to \$1.00 on profit-taking.

Bank of New South Wales rose 15 cents to \$4.80 on its higher dividend and profit.

THURSDAY'S ACTIVE STOCKS

Stocks	Traded	Change
Procter & Gamble	257,500	+1.50
General Motors	278,000	+1.00
Bank of America	250,000	+0.50
General Foods	150,000	+0.25
Amer. Tel. Tel.	167,000	+0.50
Fin. Fw.	160,000	+0.25
Texaco	151,000	+0.25
American Motors	145,000	+0.25
Continental Group	140,000	+0.25

Indices

NEW YORK—DOW JONES

NEW YORK—DOW JONES					
	Oct. 28	Oct. 27	Oct. 26	Oct. 25	Oct. 24
Industrial...	852.85	856.12	848.14	858.00	856.00
HomeB'nds*	88.01	88.82	88.46	88.55	88.00
Transport...	257.81	257.88	255.58	255.22	258.00
Utilities.....	97.42	98.23	98.58	98.24	98.00
Trading vol. 000's t	14,000	15,700	16,000	18,510	17,000

COMPANY NOTICES

Gold Fields

Notice of Annual General Meeting

Annual General Meeting of Consolidated Gold Fields Ltd will be held at the Dorchester Hotel, Park Lane, London, W.1, on Monday, 22 November 1976 at 11.30 a.m. the transaction of the following business:

To receive and consider the audited accounts for the year ended 30 June 1976 together with the report of the Directors and to declare a final dividend of 4.7323p per Ordinary share.

To re-elect the following Directors:

- (a) J. B. Davis
- (b) D. O. Lloyd-Jacob
- (c) J. D. McCall
- (d) B. C. Ryan

To authorise the Directors to fix the remuneration of the Auditors.

Order of the Board

L. Stewardson

Secretary

October 1976

Members holding fully paid Ordinary shares, or their duly appointed representatives, are entitled to attend and vote at the meeting. A member entitled to attend and vote at the meeting must be a member of the company on the date of the meeting. The company's books will be closed for transfers and share purchases from 17th to 30th October 1976. Shares held by members on 17th October 1976 will be entitled to attend and vote at the meeting. The company's books will be closed for transfers and share purchases from 17th to 30th October 1976. Shares held by members on 17th October 1976 will be entitled to attend and vote at the meeting.

Consolidated Gold Fields Limited

40 Moorgate, London EC2R 4BQ

THE SCOTTISH MINING CORPORATION LIMITED

10 Debenham Street, 1976/77

Notice is hereby given that the 1976/77 accounts of the CORPORATION have been audited and approved by the Directors and are available for inspection at the registered office of the Corporation at 10 Debenham Street, London, W.1, from 17th to 30th October 1976. The accounts are available for inspection at the registered office of the Corporation at 10 Debenham Street, London, W.1, from 17th to 30th October 1976.

By Order of the Board

M. J. McTear, Secretary

Palmerston Place, Edinburgh EH1 3SA

20 October 1976

PUBLIC NOTICES

AT THE DISTRICT COURT

IN THE MATTER OF THE ESTATE OF

THE ESTATE OF THE LATE

MR. JAMES H. McTear

Deceased

Notice is hereby given that the

will of the late Mr. James H. McTear

has been proved to the satisfaction

of the District Judge, and that the

executor of the will, Mr. J. H. McTear

has been appointed by the District

Judge to administer the estate of

the late Mr. James H. McTear.

Any person who claims to be entitled

to any part of the estate of the late

Mr. James H. McTear should apply to

the District Judge, at the District

Court, at the District Judge's Office,

at the District Judge's Office, at the

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APPOINTMENTS

Divisional post in Reed Group

Mr. Eric Doornik has been appointed chairman of S. M. PAPER COMPANY following the acquisition by Reed International of the outstanding 50 per cent of the company.

Mr. H. Bart-Smith has resigned from the Board of NORTH-BOROUGH INVESTMENT TRUST, whose shares have recently been suspended.

Mr. B. D. Hedley has joined the Board of INTERNATIONAL PINCHIN (International Paint) and will become production director from November 1. Mr. B. D. Hedley has been appointed commercial director of International Pinchin.

Mr. Terry Austin has become technical director of MYCALEX INSTRUMENTS in place of Mr. David Long, who is leaving to take up an appointment with the Datawest Corporation of Arizona, with which Mycalex have a reciprocal agency agreement.

Mr. A. E. Fell has been appointed an assistant director of C. E. HEATH AND COMPANY (NORTH AMERICA) from November 1.

Mr. Alistair Grant will become a partner of BEZOTTE AND BEVAN, stockbrokers, on December 1.

Mr. Victor I. Sandelson has joined ROYAL RUD AND COMPANY, stockbrokers, as an associate member.

Mr. L. C. T. Cottrell has been appointed a director of NATIONAL EMPLOYERS' FEDERATION.

Following recent acquisitions by STELRAD GROUP, a subsidiary of Metal Box, the Board of Stehrad is now as follows: Mr. H. King, chairman; Mr. R. G. A. Hayes, managing director; Mr. J. J. Cousins, finance secretary; Mr. D. Gough, sales; Mr. T. Howells, technical director; Mr. A. Jackson, sales; Mr. S. V. Weinhardt, general administration/purchasing; and Mr. W. D. Stewart, production/radiators.

Mr. J. Eric Williams, deputy chairman of Foster Wheeler Ltd, has been elected a vice president of FOSTER WHEELER INTERNATIONAL CORPORATION, a subsidiary of Foster Wheeler Corporation, U.S.

Mr. Michael Leonard has been appointed director of GEORGE BELL (SHIPBROKERS), a newly formed subsidiary of the George Bell Group.

Mr. Colin H. Black has been appointed a director of CABLE TRUST, an Electronics House company.

Mr. A. E. Evans has been appointed sales director of CENTAUR CLOTHES.

Mr. Geoffrey W. Budd has joined the Board of ALCAN BUILDING MATERIALS as sales and marketing director.

Mr. Norman V. G. Chapman, formerly general manager, North Central Area, LONDON TEL. PHONES, has been appointed general manager of City Area. He will be succeeded at North Central area by Mr. John Lennox, formerly general manager, East Area.

Mr. Roy Westberry, group supplies manager of TARMAC, has been named a vice-president of the INSTITUTE OF PURCHASING AND SUPPLY.

Mr. Brian Kellert, chairman of Tube Investments, has been appointed a vice-president of the ENGINEERING EMPLOYERS' FEDERATION.

Mr. A. G. Jackson is now chairman of ROYAL RUD AND COMPANY, stockbrokers, as an associate member.

Mr. John Prest has been appointed technical director of CHLORIDE INDUSTRIAL BATTERIES.

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OVERSEAS NEWS

Violence spreads in Madrid, Barcelona

BY ROGER MATTHEWS

THE VIOLENCE that sometimes seems inherent in three of Spain's most critical issues—labour relations, politics and the role of the police—has revealed itself again in the past 24 hours.

Riot police and public transport workers again clashed violently in Madrid this morning, the second day of the city's bus strike, while the authorities have arrested the main strike committee, sacked 40 men as a warning to the others and called in the military to restore partial service.

Shortly afterwards, the ultra-Right wing Falange held its 43rd annual meeting in an effort to seek unity between its different factions but within an hour the congress had broken up among scenes of punching, kicking, hair pulling and even the drawing of knives. At least three people were taken to hospital.

Each soldier was accompanied by at least one member of the armed police or the para-military Guardia Civil.

A statement from the Mayor of Madrid's office said the authorities would not negotiate with the official strike committee, most of whom are now in police custody.

Meanwhile in Barcelona, it has been reported that yesterday more than 300 plainclothes anti-racket police and hit squads were on the streets trying to get into a court hearing and then disrupted the proceedings. The reason was that four policemen were appearing on trial accused of maltreating two young people.

In Madrid today, a 16-year-old youth was shot dead by officers who were trying to detain him and three other young people.

Early morning traffic chaos in Madrid as a result of the busmen's strike caused somewhat later in the day, as more soldiers were called in to drive buses.

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INTERNATIONAL COMPANY NEWS

Matsushita sees profits surge

BY DOUGLAS RAMSEY

MATSUSHITA Electric Industrial Co., makers of national and consumer brand products, anticipates that net income in its fiscal 1976 to next November 30 will be ¥80bn. (¥130m.) and sales for the year ¥1,650bn.

These estimates were released today, along with third-quarter figures for the company's consolidated activities which show a healthy rise in profits on 1976.

It proved correct, the 1976 estimates would put Matsushita's profits after tax at almost double 1975 levels (¥32bn.) and sales up 20 per cent, a solid performance in spite of the slowdown in Japan's economic recovery since June.

Third-quarter figures have sales up 30 per cent on a year ago to ¥423bn., and net income (at ¥17bn.) well over double the 1975 performance from May to August 1975. However, despite the increase on year-ago levels, the third quarter was disappointing since sales actually declined from the ¥435bn. posted in the second quarter. As a result, quarterly profits were up by less than ¥1bn. (from ¥16.3bn. in the second quarter).

For the nine months to August 31, Matsushita's sales were only 25 per cent up on last year's depressed levels, but net income was ¥32.5bn. (¥11.6bn.) and the dividend ¥3.00 (same).

The dividend is raised to ¥3.80 (¥2.10) for the first half to September 30 (¥3.2bn.) in the same period of 1975-76, from gross sales of ¥333.5bn. (¥295.5bn.).

Mitsubishi Electric after-tax profit was ¥4,020m. in the first half to September 30 (¥1.7bn.) in the same period of 1975-76, from gross sales of ¥333.5bn. (¥295.5bn.).

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Mitsubishi Electric after-tax profit was ¥4,020m. in the first half to September 30 (¥1.7bn.) in the same period of 1975-76, from gross sales of ¥333.5bn. (¥295.5bn.).

The dividend is raised to ¥3.80 (¥2.10) for the first half to September 30 (¥3.2bn.) in the same period of 1975-76, from gross sales of ¥333.5bn. (¥295.5bn.).

COMMODITIES/Review of the week

Sterling dominates markets

BY OUR COMMODITIES STAFF

VDON PRICES for metals

commodities were almost

rely dominated by currency

siderations this week. The

up fall in sterling brought a

responding rise in prices. Yes-

day's former sterling tone

and then to fall.

The sterling-inspired rise in

num of ordinary shares into which £100 nominal of ordinary shares is greater than income on £100 nominal of convertible per annum and is present valued at 15 per cent.

Market rally extended but best levels fail to hold

Index reaches 280.0 and fades to 276.6 in late thin trade

Banks up again

Home Banks opened higher and were briskly traded; although interest waned later in the day, prices rallied at or near the day's highs. Mutuals and 8-hour programs, after 21½ in Discount, Union picked up 3 to 20½, but still recorded a fall of 25 on the week. Smith St. Aubyn were similarly drabber at 40p and Capital Recovery retrieved 5 at 168p.

Guinness Pent stood out in Guinness Banks, rising 12 to 22½, while 12½ on the chairman's encouraging remarks at the AGM. Although still concerned about the apparent failure of the General Accident rights issue.

Lucas Industries featured Motors

117	and Western Holdings plc	Baron de Bilbao	14
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These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

Friday, October 29, 1976				Thurs.	Wed.	Tues.	2000-33	1301	Wright and Lee - Index
	10-1	10-2	10-3	10-4	10-5	10-6	10-7	10-8	
	10-9	10-10	10-11	10-12	10-13	10-14	10-15	10-16	
	10-17	10-18	10-19	10-20	10-21	10-22	10-23	10-24	
	10-25	10-26	10-27	10-28	10-29	10-30	10-31	10-32	
	10-33	10-34	10-35	10-36	10-37	10-38	10-39	10-40	
	10-41	10-42	10-43	10-44	10-45	10-46	10-47	10-48	
	10-49	10-50	10-51	10-52	10-53	10-54	10-55	10-56	
	10-57	10-58	10-59	10-60	10-61	10-62	10-63	10-64	
	10-65	10-66	10-67	10-68	10-69	10-70	10-71	10-72	
	10-73	10-74	10-75	10-76	10-77	10-78	10-79	10-80	
	10-81	10-82	10-83	10-84	10-85	10-86	10-87	10-88	
	10-89	10-90	10-91	10-92	10-93	10-94	10-95	10-96	
	10-97	10-98	10-99	10-100	10-101	10-102	10-103	10-104	
	10-105	10-106	10-107	10-108	10-109	10-110	10-111	10-112	
	10-113	10-114	10-115	10-116	10-117	10-118	10-119	10-120	
	10-121	10-122	10-123	10-124	10-125	10-126	10-127	10-128	
	10-129	10-130	10-131	10-132	10-133	10-134	10-135	10-136	
	10-137	10-138	10-139	10-140	10-141	10-142	10-143	10-144	
	10-145	10-146	10-147	10-148	10-149	10-150	10-151	10-152	
	10-153	10-154	10-155	10-156	10-157	10-158	10-159	10-160	
	10-161	10-162	10-163	10-164	10-165	10-166	10-167	10-168	
	10-169	10-170	10-171	10-172	10-173	10-174	10-175	10-176	
	10-177	10-178	10-179	10-180	10-181	10-182	10-183	10-184	
	10-185	10-186	10-187	10-188	10-189	10-190	10-191	10-192	
	10-193	10-194	10-195	10-196	10-197	10-198	10-199	10-200	
	10-201	10-202	10-203	10-204	10-205	10-206	10-207	10-208	
	10-209	10-210	10-211	10-212	10-213	10-214	10-215	10-216	
	10-217	10-218	10-219	10-220	10-221	10-222	10-223	10-224	
	10-225	10-226	10-227	10-228	10-229	10-230	10-231	10-232	
	10-233	10-234	10-235	10-236	10-237	10-238	10-239	10-240	
	10-241	10-242	10-243	10-244	10-245	10-246	10-247	10-248	
	10-249	10-250	10-251	10-252	10-253	10-254	10-255	10-256	
	10-257	10-258	10-259	10-260	10-261	10-262	10-263	10-264	
	10-265	10-266	10-267	10-268	10-269	10-270	10-271	10-272	
	10-273	10-274	10-275	10-276	10-277	10-278	10-279	10-280	
	10-281	10-282	10-283	10-284	10-285	10-286	10-287	10-288	
	10-289	10-290	10-291						

[illegible]

8

Q1113. How many times did you use the following services in the last 12 months?

|| Demand deposits 12%.

Market Rates

The dollar's depreciation since the Washington Agreement, as

49.7	50.79	49.89	50.06	† Atlantic Assurance ...	12 9/16
16.8	17.50	16.8	17.1	Cannon Assurance ...	12 1/2

GOLD MARKET

EXCHANGE CROSS-RATES

116 France	7.30-8.30	Kruggerand	\$1261; 198; \$125; 127
4.58 Germany	3.75-3.8		(79); 80; 180 81
4.64 Greece	103-104	Van Sodergh	\$351; 47; 344.46
4.0220 Italy	1189-120		£281-282; £28-29
4.827 Japan	388-390	Old Sodergh	\$41.43; 540.42
4.93 Netherlands	4.08-4.10		£26-27; £25; 281

EURO-CURRENCY INTEREST RATES*

RATES Month Three month 14 c. per 5 10 20 lbs. 1977		SPECIAL DRAWING RIGHTS RATES
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apstone ven.	338.872	338.715
brfen gulier	2.89135	2.91876

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Your investment success is dependent on: (1) opportunities available, (2) market timing. The bull markets are under way in commodities and metals, providing the opportunities, and our weekly chart service is unbeatable for market timing. Send for a single issue, £3; eight week trial, £15; one year subscription, £75.

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HOTELS—Continued

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BRITISH FUNDS									
"Shorts" (Lives up to Five Years)									
10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19
Five to Fifteen Years									
10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19
Over Fifteen Years									
10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19
Updated									
10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19
*INTERNATIONAL BANKS									
10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19
*CORPORATION LOANS									
10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19
COMMONWEALTH & AFRICAN LOANS									
10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19
LOANS (Miscellaneous)									
10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19
FOREIGN BONDS & RAILS									
10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19
U.S. & DM prices exclude inv. 5 premium									

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CANADIANS									
High Low Stock Price Div. Yld. Ctr. PM									
10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19
BANKS AND HIRE PURCHASE									
10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19
Hire Purchase, etc.									
10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19
BEERS, WINES AND SPIRITS									
10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19
BUILDING INDUSTRY - TIMBER AND ROADS									
10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19
AMERICANS									
10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19
U.S. & DM prices exclude inv. 5 premium									

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BUILDING INDUSTRY - Continued									
High Low Stock Price Div. Yld. Ctr. PM									
10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19
DRAPERY AND STORES									
10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19
CINEMAS, THEATRES AND TV									
10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19
BUILDING INDUSTRY - TIMBER AND ROADS									
10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19
AMERICANS									
10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19
U.S. & DM prices exclude inv. 5 premium									

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DRAPERY AND STORES - Continued									
High Low Stock Price Div. Yld. Ctr. PM									
10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19
ELECTRICAL AND RADIO									
10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19
CHEMICALS, PLASTICS									
10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19
ENGINEERING, MACHINE TOOLS									
10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19
FOOD, GROCERIES, ETC.									
10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19
HOTELS AND CATERERS									
10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19	10/10/19
U.S. & DM prices exclude inv. 5 premium									

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MINES—Continued

1976		Stock	Price	±m	Div	Yr
High	Low					
10	250	Alcoyco 25	370	0		1.6
10	14	Baffins RI	60	+20	Q755	1.6
10	40	Barrick Gold RI	290	+10	Q125c	1.6
10	70	Bechtel 50c	85	0		1.6
10	125	Dormontum RI	280	+3	Q55c	2.2
10	65	East De RI	605	0		1.7
10	122	East De 30c	165	0	Q75c	1.7
10	44	Elabor RI	96	+3	Q035c	1.0
10	116	Harbort RI	97	+25	Q100c	1.5
10	26	High Gold RI	290	+30	Q67c	1.5
10	40	Libman RI	330	+5	Q80c	1.6
10	230	Southard 50c	370	+5	Q80c	1.6
10	14	Sumitomo 50c	145	0	Q35c	1.6

200	700	Vaal Reef 50c	£10 1/4	0 175c	2.1
20	48	Ventersburg R1	190	0 25c	3.6

613	W Drive R1	117	Q335	1.5
614	Western Areas R1	120	Q336	1.5
615	Western Areas R2	120	Q337	1.5
616	Western Areas R3	120	Q338	1.5
617	Western Areas R4	120	Q339	1.5
618	Western Areas R5	120	Q340	1.5
619	Western Areas R6	120	Q341	1.5
620	Western Areas R7	120	Q342	1.5
621	Western Areas R8	120	Q343	1.5
622	Western Areas R9	120	Q344	1.5
623	Western Areas R10	120	Q345	1.5
624	Western Areas R11	120	Q346	1.5
625	Western Areas R12	120	Q347	1.5
626	Western Areas R13	120	Q348	1.5
627	Western Areas R14	120	Q349	1.5
628	Western Areas R15	120	Q350	1.5
629	Western Areas R16	120	Q351	1.5
630	Western Areas R17	120	Q352	1.5
631	Western Areas R18	120	Q353	1.5
632	Western Areas R19	120	Q354	1.5
633	Western Areas R20	120	Q355	1.5
634	Western Areas R21	120	Q356	1.5
635	Western Areas R22	120	Q357	1.5
636	Western Areas R23	120	Q358	1.5
637	Western Areas R24	120	Q359	1.5
638	Western Areas R25	120	Q360	1.5
639	Western Areas R26	120	Q361	1.5
640	Western Areas R27	120	Q362	1.5
641	Western Areas R28	120	Q363	1.5
642	Western Areas R29	120	Q364	1.5
643	Western Areas R30	120	Q365	1.5
644	Western Areas R31	120	Q366	1.5
645	Western Areas R32	120	Q367	1.5
646	Western Areas R33	120	Q368	1.5
647	Western Areas R34	120	Q369	1.5
648	Western Areas R35	120	Q370	1.5
649	Western Areas R36	120	Q371	1.5
650	Western Areas R37	120	Q372	1.5
651	Western Areas R38	120	Q373	1.5
652	Western Areas R39	120	Q374	1.5
653	Western Areas R40	120	Q375	1.5
654	Western Areas R41	120	Q376	1.5
655	Western Areas R42	120	Q377	1.5
656	Western Areas R43	120	Q378	1.5
657	Western Areas R44	120	Q379	1.5
658	Western Areas R45	120	Q380	1.5
659	Western Areas R46	120	Q381	1.5
660	Western Areas R47	120	Q382	1.5
661	Western Areas R48	120	Q383	1.5
662	Western Areas R49	120	Q384	1.5
663	Western Areas R50	120	Q385	1.5
664	Western Areas R51	120	Q386	1.5
665	Western Areas R52	120	Q387	1.5
666	Western Areas R53	120	Q388	1.5
667	Western Areas R54	120	Q389	1.5
668	Western Areas R55	120	Q390	1.5
669	Western Areas R56	120	Q391	1.5
670	Western Areas R57	120	Q392	1.5
671	Western Areas R58	120	Q393	1.5
672	Western Areas R59	120	Q394	1.5
673	Western Areas R60	120	Q395	1.5
674	Western Areas R61	120	Q396	1.5
675	Western Areas R62	120	Q397	1.5
676	Western Areas R63	120	Q398	1.5
677	Western Areas R64	120	Q399	1.5
678	Western Areas R65	120	Q400	1.5
679	Western Areas R66	120	Q401	1.5
680	Western Areas R67	120	Q402	1.5
681	Western Areas R68	120	Q403	1.5
682	Western Areas R69	120	Q404	1.5
683	Western Areas R70	120	Q405	1.5
684	Western Areas R71	120	Q406	1.5
685	Western Areas R72	120	Q407	1.5
686	Western Areas R73	120	Q408	1.5
687	Western Areas R74	120	Q409	1.5
688	Western Areas R75	120	Q410	1.5
689	Western Areas R76	120	Q411	1.5
690	Western Areas R77	120	Q412	1.5
691	Western Areas R78	120	Q413	1.5
692	Western Areas R79	120	Q414	1.5
693	Western Areas R80	120	Q415	1.5
694	Western Areas R81	120	Q416	1.5
695	Western Areas R82	120	Q417	1.5
696	Western Areas R83	120	Q418	1.5
697	Western Areas R84	120	Q419	1.5
698	Western Areas R85	120	Q420	1.5
699	Western Areas R86	120	Q421	1.5
700	Western Areas R87	120	Q422	1.5
701	Western Areas R88	120	Q423	1.5
702	Western Areas R89	120	Q424	1.5
703	Western Areas R90	120	Q425	1.5
704	Western Areas R91	120	Q426	1.5
705	Western Areas R92	120	Q427	1.5
706	Western Areas R93	120	Q428	1.5
707	Western Areas R94	120	Q429	1.5
708	Western Areas R95	120	Q430	1.5
709	Western Areas R96	120	Q431	1.5
710	Western Areas R97	120	Q432	1.5
711	Western Areas R98	120	Q433	1.5
712	Western Areas R99	120	Q434	1.5
713	Western Areas R100	120	Q435	1.5
714	Western Areas R101	120	Q436	1.5
715	Western Areas R102	120	Q437	1.5
716	Western Areas R103	120	Q438	1.5
717	Western Areas R104	120	Q439	1.5
718	Western Areas R105	120	Q440	1.5
719	Western Areas R106	120	Q441	1.5
720	Western Areas R107	120	Q442	1.5
721	Western Areas R108	120	Q443	1.5
722	Western Areas R109	120	Q444	1.5
723	Western Areas R110	120	Q445	1.5
724	Western Areas R111	120	Q446	1.5
725	Western Areas R112	120	Q447	1.5
726	Western Areas R113	120	Q448	1.5
727	Western Areas R114	120	Q449	1.5
728	Western Areas R115	120	Q450	1.5
729	Western Areas R116	120	Q451	1.5
730	Western Areas R117	120	Q452	1.5
731	Western Areas R118	120	Q453	1.5
732	Western Areas R119	120	Q454	1.5
733	Western Areas R120	120	Q455	1.5
734	Western Areas R121	120	Q456	1.5
735	Western Areas R122	120	Q457	1.5
736	Western Areas R123	120	Q458	1.5
737	Western Areas R124	120	Q459	1.5
738	Western Areas R125	120	Q460	1.5
739	Western Areas R126	120	Q461	1.5
740	Western Areas R127	120	Q462	1.5
741	Western Areas R128	120	Q463	1.5
742	Western Areas R129	120	Q464	1.5
743	Western Areas R130	120	Q465	1.5
744	Western Areas R131	120	Q466	1.5
745	Western Areas R132	120	Q467	1.5
746	Western Areas R133	120	Q468	1.5
747	Western Areas R134	120	Q469	1.5
748	Western Areas R135	120	Q470	1.5
749	Western Areas R136	120	Q471	1.5
750	Western Areas R137	120	Q472	1.5
751	Western Areas R138	120	Q473	1.5
752	Western Areas R139	120	Q474	1.5
753	Western Areas R140	120	Q475	1.5
754	Western Areas R141	120	Q476	1.5
755	Western Areas R142	120	Q477	1.5
756	Western Areas R143	120	Q478	1.5
757	Western Areas R144	120	Q479	1.5
758	Western Areas R145	120	Q480	1.5
759	Western Areas R146	120	Q481	1.5
760	Western Areas R147	120	Q482	1.5
761	Western Areas R148	120	Q483	1.5
762	Western Areas R149	120	Q484	1.5
763	Western Areas R150	120	Q485	1.5
764	Western Areas R151	120	Q486	1.5
765	Western Areas R152	120	Q487	1.5
766	Western Areas R153	120	Q488	1.5
767	Western Areas R154	120	Q489	1.5
768	Western Areas R155	120	Q490	1.5
769	Western Areas R156	120	Q491	1.5
770	Western Areas R157	120	Q492	1.5
771	Western Areas R158	120	Q493	1.5
772	Western Areas R159	120	Q494	1.5
773	Western Areas R160	120	Q495	1.5
774	Western Areas R161	120	Q496	1.5
775	Western Areas R162	120	Q497	1.5
776	Western Areas R163	120	Q498	1.5
777	Western Areas R164	120	Q499	1.5
778	Western Areas R165	120	Q500	1.5
779	Western Areas R166	120	Q501	1.5
780	Western Areas R167	120	Q502	1.5
781	Western Areas R168	120	Q503	1.5
782	Western Areas R169	120	Q504	1.5
783	Western Areas R170	120	Q505	1.5
784	Western Areas R171	120	Q506	1.5
785	Western Areas R172	120	Q507	1.5
786	Western Areas R173	120	Q508	1.5
787	Western Areas R174	120	Q509	1.5
788	Western Areas R175	120	Q510	1.5
789	Western Areas R176	120	Q511	1.5
790	Western Areas R177	120	Q512	1.5
791	Western Areas R178	120	Q513	1.5
792	Western Areas R179	120	Q514	1.5
793	Western Areas R180	120	Q515	1.5
794	Western Areas R181	120	Q516	1.5
795	Western Areas R182	120	Q517	1.5
796	Western Areas R183	120	Q518	1.5
797	Western Areas R184	120	Q519	1.5
798	Western Areas R185	120	Q520	1.5
799	Western Areas R186	120	Q521	1.5
800	Western Areas R187	120	Q522	1.5
801	Western Areas R188	120	Q523	1.5
802	Western Areas R189	120	Q524	1.5
803	Western Areas R190	120	Q525	1.5
804	Western Areas R191	120	Q526	1.5
805	Western Areas R192	120	Q527	1.5
806	Western Areas R193	120	Q528	1.5
807	Western Areas R194	120	Q529	1.5
808	Western Areas R195	120	Q530	1.5
809	Western Areas R196	120	Q531	1.5
810	Western Areas R197	120	Q532	1.5
811	Western Areas R198	120	Q533	1.5
812	Western Areas R199	120	Q534	1.5
813	Western Areas R200	120	Q535	1.5
814	Western Areas R201	120	Q536	1.5
815	Western Areas R202	120	Q537	1.5
816	Western Areas R203	120	Q538	1.5
817	Western Areas R204	120	Q539	1.5
818	Western Areas R205	120	Q540	1.5
819	Western Areas R206	120	Q541	1.5
820	Western Areas R207	120	Q542	1.5
821	Western Areas R208	120	Q543	1.5
822	Western Areas R209	120	Q544	1.5
823	Western Areas R210	120	Q545	1.5
824	Western Areas R211	120	Q546	1.5
825	Western Areas R212	120	Q547	1.5
826	Western Areas R213	120	Q548	1.5
827	Western Areas R214	120	Q549	1.5
828	Western Areas R215	120	Q550	1.5
829	Western Areas R216	120	Q551	1.5
830	Western Areas R217	120	Q552	1.5
831	Western Areas R218	120	Q553	1.5
832	Western Areas R219	120	Q554	1.5
833	Western Areas R220	120	Q555	1.5
834	Western Areas R221	120	Q556	1.5
835	Western Areas R222	120	Q557	1.5
836	Western Areas R223	120	Q558	1.5
837	Western Areas R224	120	Q559	1.5
838	Western Areas R225	120	Q560	1.5
839	Western Areas R226	120	Q561	1.5
840	Western Areas R227	120	Q562	1.5
841	Western Areas R228	120	Q563	1.5
842	Western Areas R229	120	Q564	1.5
843	Western Areas R230	120	Q565	1.5
844	Western Areas R231	120	Q566	1.5
845	Western Areas R232	120	Q567	1.5
846	Western Areas R233	120	Q568	1.5
847	Western Areas R234	120	Q569	1.5
848	Western Areas R235	120	Q570	1.5
849	Western Areas R236	120	Q571	1.5
850	Western Areas R237	120	Q572	1.5
851	Western Areas R238	120	Q573	1.5
852	Western Areas R239	120	Q574	1.5
853	Western Areas R240	120	Q575	1.5
854	Western Areas R241	120	Q576	1.5
855	Western Areas R242	120	Q577	1.5
856	Western Areas R243	120	Q578	1.5
857	Western Areas R244	120	Q579	1.5
858	Western Areas R245	120	Q580	1.5
859	Western Areas R246	120	Q581	1.5
860	Western Areas R247	120	Q582	1.5
861	Western Areas R248	120	Q583	1.5
862	Western Areas R249	120	Q584	1.5
863	Western Areas R250	120	Q585	1.5
864	Western Areas R251	120	Q586	1.5
865	Western Areas R252	120	Q587	1.5
866	Western Areas R253	120	Q588	1.5
867	Western Areas R254	120	Q589	1.5
868	Western Areas R255	120	Q590	1.5
869	Western Areas R256	120	Q591	1.5
870	Western Areas R257	120	Q592	1.5
871	Western Areas R258	120	Q593	1.5
872	Western Areas R259	120	Q594	1.5
873				

465	175	Union Corp. 25c	250	1000c	L1
90	45	Vogels 25c	70	1000c	L2

[illegible]

17	9	Parings M&E Sp.	30	-1	-	-
615	430	Peko-Wallsend 50c.	530	Q15c	φ

[illegible]

46	31	Sungei Besi 20p	41	—	—
43	29	Sungei Way \$11.	42	2010	—

[illegible]

* Not comparable.

[illegible]

MAN OF THE WEEK

Make or break for Rhodesia

BY OUR FOREIGN STAFF

WHEN MR. Ivo Richard was named chairman of the Rhodesia Conference he remarked that the commitment to establish a transitional government in that country on the path to legitimate independence did not mean this must happen "tomorrow morning."

But there must be progress "with all deliberate speed," he said. And he promised: "If at any stage there is need of a wind machine to blow away the fog over any part of this exercise, then I will puff with the best."

In the past few days at Geneva indicate he may have to do a lot of puffing if his difficult assignment is to be crowned with success.

Notwithstanding the reservations of Rhodesian black leaders Robert Mugabe and Joshua Nkomo about the naming of Britain's UN Ambassador rather than a Government Minister to preside over the conference, the appointment was warmly welcomed by African States delegates in New York. In the two and a half years since Ivo Richard has been at the UN, he has made a considerable mark.



Some rate him the best representative Britain has ever sent to the world body.

When he went to the UN in March 1974, in fulfilment of a Labour election pledge to appoint a political representative there, Mr. Richard emphasised that he was a professional politician, not a diplomat. Yet he admitted: "I have loved with the ideas of Oxford, of entering the diplomatic service. I decided I wasn't intelligent enough to pass the examination."

He just. Instead he became a successful barrister, and eventually Queen's Counsel. His most famous case was his 1963 defence of Brian Field, one of the great train robbers. "I did very well," Mr. Richard recalled. "He got five years, while the others got 20."

The acrimonious atmosphere of the 1975 UN general assembly was blamed in part on the combative style and anti-third world gibes of the chief American delegate, Mr. Daniel Patrick Moynihan. Without mentioning him by name, Mr. Richard observed to one of his lecture audiences that he did not see a UN Ambassador's role as that of a Wyatt Earp shooting it out in the O.K. Corral.

It was the first time that the persistent rumblings of discontent within the Western alliance over Mr. Moynihan had come into the open. The American delegate, who now is favoured to win a U.S. Senate seat in next Tuesday's elections, suspected collusion between the Foreign Office and enemies in the state department. This was flatly denied. Eventually, Mr. Moynihan resigned, declaring he had not received "Washington's full support." He was succeeded by Mr. William Scranton, former Governor of Pennsylvania, whose approach to the UN assignment is much like Mr. Richard's.

Coincidentally, both of them have an Irish background. Mr. Scranton comes from a family of colliery owners, and Mr. Richard is the son of an inspector of mines. Born in Cardiff, he himself worked briefly in the pits. His grandfather was a minister well known in the Welsh Methodist circuit, and it is perhaps from him that Mr. Richard inherited the gift of oratory which so impresses his colleagues in the UN, where it is rare for a delegate to be able to speak except from a text drafted in some far-away ministry.

Mr. Richard is an extraordinarily good team with the third world members who dominate the general assembly. Probably, none of them shares Mr. Mugabe and Mr. Nkomo's misgivings about him. In fact, Mr. Richard's relations with his African colleagues are so close that one of them is reported once to have taken him aside and said: "look, next week we are going to work up a big fight with each other, but so we look all right back home."

But they seem to enjoy America and the UN and may well wish to remain there for the duration of the present Labour government. They pulled their son Alun out of school in England, and he now attends a New York private school. Their daughter Katy also is being educated in New York.

Not surprising in a Welshman, Mr. Richard is a music lover and a great opera and concert-goer. His favourite relaxation after a hard day at the UN is to play a piece or two at his own piano.

Heath to strengthen Tory attack in Walsall North

BY RICHARD EVANS, LOBBY EDITOR

MR. EDWARD HEATH is to cement the reconciliation between himself and the party leadership which began at the Tory Party Conference by campaigning on Monday in the Walsall North by-election.

Mr. Heath has campaigned in only one other by-election, and then for personal reasons, since he lost the party leadership to Mrs. Thatcher.

He will speak in support of Mr. Robin Hodgson, who has an outside chance of winning the seat.

Labour Party officials are deeply worried about prospects at Walsall, in spite of Mr. John

Stonehouse's majority of 15,885 at the last General Election.

The presence of Mr. Heath, followed on Tuesday by Mr. Michael Heseltine, who scored a personal triumph at the Brighton conference, is planned to ensure a full Tory turnout on Thursday.

The other by-elections on Thursday are at Workington and Newcastle Central. Both, in normal circumstances, should be safe Labour seats, but the Tories feel they could get surprisingly close at Workington.

If Labour wins all three contests its overall majority in

the Commons will be one. But the Government normally has the support of the two Northern Ireland independent MPs, Mr. Gerry Fitt and Mr. Frank Maguire.

Mrs. Thatcher faced criticism last night from the Left-wing Tory Reform Group for failing to respond more enthusiastically to the call from Mr. Harold Macmillan for a "Government of National Unity."

Mr. Jimmy Gordon, chairman of the group, said that as "immediate General Election would be bad for the economy, the pound and British democracy," he had been

saddened that Mrs. Thatcher had been so critical of Mr. Macmillan's proposals.

"The Conservative Party had always laid great claim to being the national party."

"We are proud of our tradition of putting the national interest before party interest, yet when the country is now seeking national leadership we appear to be descending into petty party squabbles."

"At a time of political and economic crisis the nation is seeking political giants, not pygmies. For once, let us see some national leadership again from the Conservative Front Bench," Mr. Gordon said.

Two more U.S. banks cut prime rate to 6½%

BY STEWART FLEMING

NEW YORK, Oct. 29.

THE TREND towards lower bank lending rates in the U.S. continued today with the announcement by Citibank, the largest of the New York banks, and Bank of America that they were lowering their prime rates from 6½ to 6¼ per cent.

Yesterday, Continental Illinois, the largest of the Chicago banks, moved its prime rate down by a quarter of a point, but some bankers doubt that others would follow.

Pressure
Citibank generally uses a formula to determine its prime rate based on the average rate on commercial paper over the previous three weeks, to which it adds one and a-half percentage points.

The bank said today that the formula dictated the more downward pressure on the rate, but some analysts maintained that the bank could have kept the rate unchanged as it has occasionally in the past.

There have been reductions in short-term interest rates in recent weeks and these have put increasing pressure on the banks to lower their prime rates beyond the last reduction from 7 to 6½ per cent, which was started by Morgan Guaranty Trust on September 20.

The average weekly rate of interest on 90-day commercial paper has fallen from 5.25 per cent for the week ending October 6 to 5 per cent for the week ending October 27, according to New York Federal Reserve Board figures.

The trend towards lower prime rates is thought to be a reflection of increasing competitive pressure on the banks, which in recent weeks have reportedly been making concessions on loan agreements to some customers.

This in turn reflects the continued sluggishness of the economy and industrial loan demand at the nation's biggest banks. In the 12 months to October

6, outstanding commercial and industrial loans fell by almost 6 per cent, or \$7bn.

Some bank economists argue that this decline must now be slowing, since corporations have run down their cash and short-term borrowings to historically low levels. Their cash flow is no longer increasing as quickly as at the beginning of the year, and capital spending should revive soon with bank loans following suit.

However, a study of about 250 corporations by Smith, Barney, Harris and Upham, Wall Street brokers, has concluded that they are not expecting a sharp increase in their loan demand in the first half of next year.

If these forecasts are accurate and reflect intentions of a wide cross-section of corporations, this will create further doubts about the length of the "pause" in the growth of the U.S. economy.

Rush for uranium stocks on Australian Exchanges

BY PAUL CHEESRIGHT

SCENES recalling the Australian mining boom at the beginning of the seventies enlivened the Sydney and Melbourne exchanges yesterday as investors rushed into uranium stocks.

Pancontinental, Peko-Wallend and Western Mining were in demand since they are among the companies standing to gain from the qualified approval of the Fox Commission, on uranium mining, which is developing the Veestrie uranium and in Western Australia, rose 12 cents to \$A1.72.

This was no Poseidon boom, when values changed several dollars every day. Pancontinental suffered profit-taking, and its closing level

trade unions remains uncertain. Nevertheless, the market relief was sufficient to boost the price of Pancontinental by \$A1.80 to \$A1.80 on the exchange, that it will eventually receive approval for mining at the rich Jabukka deposit in the Northern Territory.

Jeko-Wallend, with a stake in the Ranger deposit, gained 50 cents to \$A5.20, and Western Mining, which is developing the Veestrie uranium and in Western Australia, rose 12 cents to \$A1.72.

This was no Poseidon boom, when values changed several dollars every day. Pancontinental suffered profit-taking, and its closing level

yesterday was only 90 cents higher than a week earlier. The uncertainties were too great to turn a rush into a stampede.

The rise on the Australian market were to some extent followed through in London, when Pancontinental yesterday rose 75p to £11, still £9.50 beneath its high point for the year. Peko-Wallend remained unchanged at 530p after a gain of 60p on Thursday, and Western Mining lost 2p to 178p.

London investors remain inhibited by the high level of the investment dollar premium and the tightness of credit, while the memory of burst fingers during the Poseidon boom is still sharply etched.

Higher levies make Stock Exchange profit

By Terry Wilkinson, City Staff

THE IMPOSITION of higher levies on member firms brought the Stock Exchange into profit for the first time in six months.

The exchange, which reported a £1,000 deficit a year ago, is now expected to make a profit of £1,000 by the end of the year.

The half-yearly statement shows an increase of income over £1m. to £4.6m, most of which stems from higher charges for general services, income from contributions to the compensation fund ended, was originally 0.6 per cent. It was increased to 1.5 per cent. on January 1 and to 2 per cent. on May 1.

The figures imply that the income of members fell from £105m. to about £75m. during the first half-in line with the general drop in turnover on the Stock Exchange.

The Stock Exchange says that the present surplus cannot be expected to be maintained through the second half.

The full year result is expected to bear a heavier proportionate burden in the deficit on settlement services at current tariffs, unless the volume and value of business shows a significant improvement.

Total expenditure rose from £2.8m. to £3.3m. and the surplus of £271,000, struck after transfer of £1m. compared with £770,000 in a special provision on the development of Talisman, the proposed new settlement system, and other services.

Peace talks break down at BP chemicals plant

BY ROY ROGERS, LABOUR CORRESPONDENT

LOCAL TALKS aimed at averting a damaging strike broke down last night at British Petroleum's chemicals complex at Grangemouth, Scotland.

The strike is due to start on Monday. As a result production of chemicals such as styrene and high density polyethylene will be disrupted.

Officials of the flow of North Sea oil from the Forties Field will be affected within days.

BP denies that North Sea oil supplies will be disrupted, although it admits this could happen if its cooling plant which carries out the gas separation process, is halted.

If this happens BP must decide whether simply to turn off the Forties Field oil cocks until the dispute is settled or stream, or use some of its excess tank capacity to store the oil until

it can be refined. Diversion of the North Sea oil to alternative refineries seems unlikely.

The dispute involves about 2,000 manual workers, members of the Transport and General Workers' Union and the Amalgamated Union of Engineering Workers, and 140 supervisors.

They plan to stop work and occupy the plant from 6 a.m. on Monday.

This is the culmination of a long-simmering dispute over demands for their pension scheme to be brought into line with those of other BP employees at nearby plants.

The supervisors, members of the Association of Scientific, Technical and Managerial Staffs, began closing plant yesterday for safety reasons. Once completely shut, it will take at least three days to bring the plant on stream again.

Victory for soccer club in £5,000 court case

TELEVISION'S LACK of interest in the fortunes of Orient, of London football club, led to a legal contest between the club and the company handling advertising around the pitch at Leyton Stadium, a High Court judge heard yesterday.

"The television companies, probably because Orient weren't playing football as attractively as some clubs, chose not to televise," Mr. Nicholas Colton, the club's counsel, told Sir Douglas Frank, QC.

Because the advertisements also lost TV coverage, David Capstick Advertising stopped paying the £10,000-a-year rent they had agreed to pay for the advertising concession at the stadium.

Continued from Page 1

Buffeted £

currency role, the absolute priority at present is seen as successful negotiation of an IMF loan.

Mr. Denis Healey, the Chancellor, has told the Commons that the basis on which any action about the balances should be taken would be the successful negotiation of the IMF loan.

It is clear that the same countries will supply most of the funds for an IMF loan, as might be involved in any funding of the balances, so the terms agreed with the IMF might be the basis for later talks.

Although there have been continuing discussions with other countries on this topic, no formal proposals are yet being discussed, and there is unlikely to be any major development until the New Year.

The timing is also affected by the size of the balances and the number of countries involved, since the views of the existing balance holders will have to be sought.

£100,000 prize bond next week

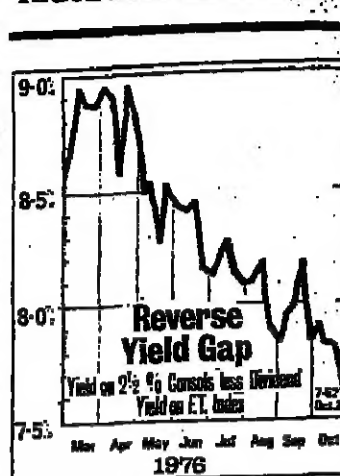
THE NEW £100,000 top prize in the monthly Premium Bond prize draw will be drawn for the first time next week. From November—the 20th anniversary of the savings scheme—the rate of interest which determines the prize fund is increased to 5½ per cent a year. There will be about £93,000 more money, available for smaller prizes.

In order to reduce administrative costs, the minimum purchase will be increased from £2 to £5. The basic Premium Bond unit remains at £1 however.

THE LEX COLUMN

Equities and the yield gap

Index rose 6.2 to 276.7



As the Government dithers and delays sterling is being tossed this way and that, and the stock market is following suit. The overall trend remains weak. Despite the 11.4-point revival in the past two days the FT 30-Share Index has lost 13 points over the week and 16.2 points on the account. This week's fears of a still higher Minimum Lending Rate proved unjustified, and Wednesday's surge in money market rates was short-lived. But the Government Broker has been ominously unsuccessful in stilling his long gilt-edged tap stock, even with yields rising above 16.3 per cent.

Yield gap

The reverse yield gap, that traditional bell-wether of stock market sentiment, touched its year's low of 7.4 per cent. on Wednesday, before recovering to 7.7 per cent. last night. But it is still a long way off its level at the bottom of the last bear market in early January, 1975, when it sank to 4 per cent.

Indeed, it could be argued that the traditional yield gap—the difference between the yields on 2½ per cent. Consols and the F.T. Industrial Index—overstates the effective drop.

These days institutional fund managers tend to pay more attention to the difference between yields on equities and the "Long Tap." Traditionally, Consols have yielded slightly more than long gilts, but since the summer the reverse has been true. Last night the long tap was yielding a full half-point more than Consols.

Looked at in this light the reverse yield gap is not 7.7 per cent, but 8.25 per cent.

However, institutional investment decision making is not solely a matter of gilts versus equities: a substantial amount of institutional money is still earmarked for the property market. And here the equity investor can find some solace.

Traditionally, the yield on prime property has been about a point above the yield on the FT All-Share index. While it is hard to fix property values in current turbulent times, the FT All-Share index is presently yielding 11 points above the yield on prime property, taking Richard Ellis's latest figure of 6½ per cent. But it is more likely that equity is expensive than that equities are particularly cheap.

Hepworth

Hepworth confirms what UDS was saying just over a week ago—that the depression in the suiting end of the menswear trade could be starting to lift.

Hepworth's profits for 1975-76 are 18 per cent. lower at £2.8m. pre-tax but the slide in sales volume in the second half of the year was contained to 15 per cent. after a drop of 25 per cent. in the first, and this year to date the groups reckon to be holding all square. In fact cash sales are 17 per cent. up so far this year which looks impressive against a rise of 12 per cent. by UDS in the ten weeks to September; but Hepworth has had nearly an extra month of more seasonal selling weather.

The effect of last year's overhead cutback is now showing through. Pre-tax margins in the six months to August are an eighth better, and there is the impact too of a broadening range of goods. The big question mark of course is the possibility of an increase in VAT rates; spending trends are still weak and if VAT rises suit replacement is likely to be pushed even further down the list of most family budgets.

Meanwhile the shares yield 14.1 per cent. at 24p, covered 1.3 times; net borrowings have been held to 50 per cent. of shareholders' funds and the pending property revaluation stands to add "considerably" to net assets per share of 48p.

Although Bishopsgate, aged to buy in most of the (nominal) value during the summer, it exceeded its borrowing and the lenders, a U.K. and continental could presumably be payment if they were unkind. Meanwhile the capitalisation is just compared with a peak of £23m. in 1973.

Bishopsgate
As the financial deepens watch out for a day evening horror at first, but no doubt last, comes from Bishops Property. In the 1975, it disclosed net £7.6m., and borrow £12.3m., including secured bank loan repaid the end of 1977 and in deutsche marks, but sterling's devaluation boosted the amounting by over £3m. The been further eroded in id property shares, which sent a tenth of the in the last accounts.

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NEB in action
If the Equity Capital for industry had got going in time

Weather

U.K. TODAY

Rain or drizzle in most places. London, S.E. England, E. Anglia Fog patches clearing. Occasional rain or drizzle in places. Wind light or moderate, E. Max 10C (50F).

Midlands, N. Wales, Cent. S. NW England Occasional rain or drizzle. Wind fresh, N.E. Max 10c (50F). Channel Isles, S.W. England, Wales

Occasional rain dying out. Wind moderate, N.E. Max. 12C (54F). Borders, Edinburgh, Dundee, Aberdeen, East and E. England Rain in places. Wind light or moderate, N.E. Max. 9C (48F).

Lakes, Isle of Man, Glasgow, cent. Highlands, Argyll, W. Mostly dry. Wind light, N.E. Outlook: Occasional rain in E. mostly dry with frost in W. Lighting up: London 5.7, Manchester 5.11, Glasgow 5.12.

BUSINESS CENTRES

Lighting up: London 5.7, Manchester 5.11, Glasgow 5.12.									
BUSINESS CENTRES									
	Y day mid-day				Y day mid-day				
Alexandria	F	C	21	Madrid	F	C	18		
Amsterdam	F	C	21	Manila	F	C	16		
Antwerp	F	C	21	Mexico City	F	C	16		
Bombay	F	C	21	Moscow	F	C	16		
Buenos Aires	F	C	21	Mumbai	F	C	16		
Cairo	F	C	21	Nairobi	F	C	16		
Calcutta	F	C	21	Paris	F	C	16		
Canton	F	C	21	Perth	F	C	16		
Cebu	F	C	21	Rangoon	F	C	16		
Colon	F	C	21	San Francisco	F	C	16		
Hankow	F	C	21	Seoul	F	C	16		
Hong Kong	F	C	21	Singapore	F	C	16		
Kobe	F	C	21	Taipei	F	C	16		
London	F	C	21	Tokyo	F	C	16		
Lyons	F	C	21	Yokohama	F	C	16		

HOLIDAY RESORTS

HOLIDAY REPORTS							
Jacobs	F	23	72	Iranbul	C	14	37
Jalisco	F	19	66	Jersey	C	10	50
Jarritz	S	16	61	Las Pimas	C	21	70
Jaxopol	R	9	42	Locarno	R	10	56
Jaxopol	R	9	42	Locarno	R	10	56
Jaxopol	R	9	42	Locarno	R	10	56
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Jaxopol	R	9	42	Locarno	R	10	56
Jaxopol	R	9	42	Locarno	R	10	56
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Jaxopol	R	9	42	Locarno	R	10	56
Jaxopol	R	9	42	Locarno	R	10	56
Jaxopol	R	9	42	Locarno	R	10	56

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